



Daňovky

**Tax and Legal
news**

**Taxes
World news
In brief**

**Tax and Legal News |
January 2018**

New definition of Tax Residency is broader

Starting from 2018, definition of tax residency of individuals has been broadened.



Ivana Soboličová

isobolicova@kpmg.sk

+421 905 703 190

The categories of tax residents will include not only persons with a registered permanent residence and those who stay in Slovakia for at least 183 days in a calendar year, but also persons deemed to have a residence in Slovakia.

The broader definition will likely result in a change of tax residency status for individuals who spend extended periods of time abroad and have de-registered their permanent residence address in Slovakia, but who still have a residence available in Slovakia used not just for occasional purposes and their personal and economic ties to Slovakia are still strong. As a result, such individuals may have the obligation to tax their income in Slovakia.

This change could affect mainly individuals who reside in countries with which Slovakia does not have any double tax treaty (e.g. Monaco). Others may find that their newly-acquired Slovak tax resident status will cause a transfer of their tax residence to Slovakia under the rules set in the respective double tax treaty, as they did not have to apply the double tax treaty in past.

Please contact KPMG should you wish to determine your tax residency status.

The Act on insurance tax is under preparation

Proposal of the Act on insurance tax, which is a part of the Governmental legislative plan for 2018, is already in inter-governmental review process.



Marianna Dávidová

mdavidova@kpmg.sk
+421 907 745 029

Insurance tax should be considered as an indirect tax which will replace currently valid 8% insurance premium levy from non-life insurance lines of business which is according to the Ministry of Finance considered to be unsystematical and ineffective provision with many application problems.

Based on the proposed wording the insurance tax should, however, apply not only to non-life insurance lines of business but also to life insurance lines of business providing the insured risks are located in Slovakia.

The tax rate applicable for majority of non-life insurance lines of business is proposed at 8%. As regards life insurance lines of business decreased rate amounting to 2% and 3% is proposed. Pension insurance products should be exempted from the insurance tax.

The proposed wording defines cases where besides the insurance company also the person who paid the insurance premium may be considered as a person obliged to pay insurance tax.

Tax period is proposed to be a calendar quarter and the deadline for filing of the tax return is set as the end of month following the end of the respective tax period.

Expected effective date is 1 October 2018 and based on the transitional provisions the insurance tax would be applicable in case that the insurance period began after 30 September 2018 and the insurance premium was paid or received after 30 September 2018.

We will keep you updated about the next steps of the legislative process.

ECOFIN agrees on an EU black list of non-cooperative jurisdictions for tax purposes

On 5 December 2017 the Economic and Financial Affairs Council of the EU (ECOFIN) reached an agreement on the 2017 EU list of non-cooperative jurisdictions for tax purposes and confirmed that these tax jurisdictions will remain on this list until they meet the required criteria.



Zuzana Blažejová

zblazejova@kpmg.sk
+421 905 740 000

In January 2016 the EU Commission proposed a common approach to third country jurisdictions on tax good governance matters. The aim was to replace the currently existing national lists of non-cooperating jurisdictions with a single EU listing system. The listing process followed a three step approach comprising a pre-assessment of countries, an extensive screening phase and, finally, the listing of non-cooperative jurisdictions.

As a result of the screening process, ECOFIN placed seventeen countries on the EU list of non-cooperative jurisdictions and recommended the list to be revised at least once a year. Listed jurisdictions are encouraged to make the required changes and to engage in discussions with the Code of Conduct Group that will be monitoring the criteria and commitments made. On 23 January 2018 ECOFIN removed eight countries from the black list. The black list as at today includes the following nine countries:

1. America Samoa
2. Bahrain
3. Guam
4. Marshall Islands
5. Namibia
6. Palau
7. Saint Lucia
8. Samoa
9. Trinidad and Tobago

In response to the publication of the blacklist, EU Member States are expected to apply at least one of the following administrative measures:

- stricter monitoring of certain transactions,
- increased tax audit risks for taxpayers benefiting from the disputed regimes, or
- increased tax audit risks for taxpayers using structures or arrangements involving blacklisted jurisdictions.

ECOFIN recommended to the EU Member States to take certain tax defensive measures in accordance with their national legislation and with EU and international law, such as for example the non-deductibility of costs, withholding tax provisions, controlled foreign company rules and the limitation of the participation exemption, etc.

At EU level, the EU Commission stated that existing defensive measures will be applied, such as limiting access to EU funding, or stricter reporting requirements for multinationals that have a presence in blacklisted jurisdictions, but encouraged EU Member States to also implement effective sanctions.

Council and Parliament reach agreement on 5th Anti-Money Laundering Directive

On 20 December 2017 it was announced that an agreement was reached between the Council and European Parliament regarding the latest amendments to the Anti-Money Laundering Directive (AMLD 5) proposed by the European Commission in July 2016.



Zuzana Blažejová

zblazejova@kpmg.sk
+421 905 740 000

On 5 July 2016 the European Commission proposed a fifth revision of the Anti-Money Laundering Directive as part of its Action Plan for strengthening the fight against terrorist financing, announced in February 2016. The proposal included, in particular, several measures to enhance the powers of the EU Financial Intelligence Units, to introduce stricter safeguards for financial flows from high-risk countries, and to tackle risks linked to virtual currencies and anonymous pre-paid instruments.

As a reaction to the Panama Papers revelations in April 2016, the Commission's proposals also contained rules to increase transparency within the EU, by granting public access to beneficial ownership registers on companies and business-related trusts, interconnecting national registers to facilitate cooperation between EU Member States, and extending the information available to national authorities.

The updated Directive aims to prevent the use of the financial system for the funding of criminal activities and to strengthen transparency rules to prevent the large-scale concealment of funds.

With the objective of enhancing access to information on beneficial ownership, the following measures will be introduced:

- Registers of beneficial owners of companies operating within the EU will be made publicly accessible and national registers will be subsequently better interconnected, to facilitate cooperation between Member States.
- Registers of beneficial ownerships of trusts and similar legal arrangements will only be publicly accessible where there is a legitimate interest; where trusts were set up for non-commercial purposes (e.g. for charity or the use of family assets) accessibility will be limited to essential data; and access to beneficial ownership information on trusts will be granted upon written request in cases where the trust owns a company that is not incorporated in the EU.
- Information on national bank accounts and safe deposit boxes will be registered as well as information on real estate ownership, although the latter will only be accessible to public authorities.
- EU Member States will retain the right to provide broader access to information, in accordance with their national law.

The possibility to collect beneficial ownership information on life insurance contracts and financial instruments will not be covered by the new provisions of the Directive.

In order to address the risks derived from prepaid cards and virtual currencies, the scope of the Directive will be widened to cover electronic wallet providers and virtual currency exchange service providers. Furthermore, the threshold for identifying the holders of prepaid cards will be lowered from EUR 250 to EUR 150.

The revised Directive provides for extended responsibility and reporting obligations and for facilitated cooperation between national Financial Intelligence Units (FIUs) and bank supervisors regarding the exchange of information. As a consequence, national FIUs will have access to information in centralized bank and payment account registers, enabling them to identify account holders.

With respect to transactions with third countries identified by the European Commission as presenting an increased risk of money laundering, the amended Directive provides tougher criteria regarding the obligation to report suspicious transactions and provides for possible sanctions against violations.

The amended Directive is expected to enter into force by the end of 2019, i.e. 18 months after its publication, expected in mid-2018. In respect of the specific provisions of the Directive, it is foreseen that national registers of beneficial owners of companies will be made public by the end of 2019, while national beneficial ownership registers of trusts will be accessible to persons with a legitimate interest in early 2020. In addition, the implementation of national bank account registers is expected as from 2020, whereas the interconnection of all national registers will proceed from 2021.

New edition of the OECD Model Tax Convention is released

OECD has released the new edition of the Model Tax Convention, incorporating significant changes developed under the OECD/G20 project to address base erosion and profit shifting (BEPS).



Martin Šiška
msiska@kpmg.sk
+421 918 912 042

The 2017 edition of the OECD Model Tax Convention mainly reflects a consolidation of the treaty-related measures resulting from the work on the OECD/G20 BEPS Project under:

- Action 2 (Neutralising the Effects of Hybrid Mismatch Arrangements),
- Action 6 (Preventing the Granting of Treaty Benefits in Inappropriate Circumstances),
- Action 7 (Preventing the Artificial Avoidance of Permanent Establishment Status) and
- Action 14 (Making Dispute Resolution More Effective).

We informed you about other changes in the OECD Model Tax Conventions in our [Tax News](#) in September 2017.

The shorter version of the 2017 edition of the OECD Model Tax Convention is published on the [OECD website](#). The full version, including the Articles, Commentaries, non-member economies' positions, and historical notes, will be published in the course of 2018.

Announcement on extension of the filing deadline

Financial Directorate published template of the Announcement on extension of the filing deadline for the corporate as well as personal income tax return. As of 1 January 2018 taxpayers that decide to extend the filing deadline are obliged to use the prescribed form.



Tax and Legal Department

kpmg@kpmg.sk
+421 259 984 111

Prescribed form is available [here](#).

Accounting Advisory News January 2018

Amendments to several accounting regulations for entrepreneurs – the Accounting Procedures for Entrepreneurs and decrees on financial statements of entrepreneurs – were adopted in December 2017.



Andrea Šikulová

asikulova@kpmg.sk
+421 907 745 010

Most of these changes follow up on amendments to the Commercial Code concerning a capital fund from contributions from shareholders/partners (accounting legislation refers to the term "other capital funds") introduced by Act No. 264/2017 Coll. of 12 October 2017.

Now it is time for lower-level legislation, in which the aforementioned changes had to be reflected, namely:

- Decree on the Accounting Procedures for Entrepreneurs was amended by Decree of the Finance Ministry of the Slovak Republic No. MF/14776/2017-14 of 6 December 2017;
- Decree on Financial Statements of Large Accounting Entities and Public-Interest Entities was amended by Decree of the Finance Ministry of the Slovak Republic No. MF/14770/2017-14 of 6 December 2017;
- Decree on Financial Statements of Small Accounting Entities was amended by Decree of the Finance Ministry of the Slovak Republic No. MF/14774/2017-14 of 6 December 2017;
- Decree on Financial Statements of Micro-Accounting Entities was amended by Decree of the Finance Ministry of the Slovak Republic No. MF/14775/2017-14 of 6 December 2017.

You can find more information in [News 2018/01](#)

[LinkedIn](#) | [YouTube](#) | [Facebook](#) | [Instagram](#)

www.kpmg.sk

Tel.: +421 2 5998 4111

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG Slovensko Advisory, k.s., a Slovak limited partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.