



Daňovky

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In brief**

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Top three changes brought by draft amendment to the Slovak VAT Act

The Slovak Ministry of Finance introduced a draft amendment to the Slovak VAT Act bringing three major changes.



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Proposed amendment is planned **to be effective from 1 January 2023** (except for the new reporting obligation of providers of payment services which is proposed to be effective from 1 January 2024) and brings:

- Obligation of the VAT payers to correct input VAT deducted from the goods and services purchased in Slovakia provided they are (partially) overdue with the payment for more than 90 days,
- Change in limitation of input VAT deduction – input VAT deduction will not be allowed from the expenditures that do not unequivocally belong to business expenditures, such as for the purpose of treat, entertainment and representation,
- Cancellation of the VAT registration obligation (and introduction of the VAT deregistration possibility) of established entities provided they exceeded the registration turnover solely from specific VAT exempt supplies (insurance and financial services and supply and rent of immovable property).

We will keep you informed on the next steps within the legislative process.

EU Directive DAC7 in Slovak legislation

We provide you an overview of the new reporting obligations for digital platform operators arising from the EU Directive DAC7. The information should help tax authorities to ensure fair taxation of income in digital area.



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The Slovak Parliament approved on 15 June 2022 an Amendment to the Act No. 442/2012 on international cooperation in tax administration as amended which incorporates the EU Directive 2021/514 from 22 March 2021 amending the Directive 2011/16/EU on administrative cooperation in taxes. The Amendment which introduces new obligations for operators of digital platforms and provisions concerning joint tax audits takes effect on 1 January 2023 except for provisions to joint tax audits which will be effective from 1 January 2024.

Joint tax audits will be tax audits performed by the tax authorities of two or more EU member states. The Amendment defines the rights and obligations of the tax authorities from the other country. It also stipulates that the joint tax audit starts on the day stated in the announcement on the joint tax audit and ends on the day of the elaboration of the final report. Unlike in the case of usual tax audits, there is no deadline for finalizing the joint tax audits. The Slovak Tax Authorities can use findings from the final report from the joint tax audits for local tax administration and for purposes of proceedings related to double taxation avoidance.

The Amendment also introduced notification obligations for operators of digital platforms. It defines the digital platform, its operators and other terms related to the notification obligations of operators of digital platforms. For example, it stipulates that sellers using the digital platforms are excluded from the notification obligation if they are governmental entities, entities the shares of which are regularly traded on a stock exchange, hotels and other persons letting out real estate if the number of transactions exceeded 2 000 in the period subject to notification, and persons for who the operator of the digital platform mediated less than 30 sales of goods in total not exceeding EUR 2 000.

The notification obligation must be fulfilled by 31 January of the year following the year in which the seller was identified as a seller subject to notification. If a different platform operator already notified the Slovak Tax Authorities on the same seller, it will be sufficient to only electronically submit an announcement that a different digital platform operator already met the notification obligation. The respective templates will be published on the website of the Financial Authorities.

The digital platform operator must within 15 days of becoming an operator of a digital platform or from any changes of information already filed notify the Slovak Tax Authorities in which country he will be filing the notifications on the sellers. If Slovakia will be selected by a foreign operator, the foreign operator has 15 days from the commencement of his activities to register with the Slovak Tax Authorities.

The operator must by 31 December of the respective period subject to notification perform a due diligence of the information on sellers and their transactions to be notified to the tax authorities. For sellers registered on the platform prior to 1 January 2023 the due diligence procedures must be performed by 31 December 2024. The digital platform operators must archive the underlying information for 10 years from the end of the year in which the notification on sellers had to be filed.

The Amendment contains also provisions concerning the protection of personal data and procedure in the case of breach of this protection, as well as due diligence procedures for the digital platform operators and information which must be notified to the tax authorities and exchange of information.

Sanctions for non-compliance with the notification or registration obligations amount from EUR 3 000 to EUR 10 000 and can

be imposed also repeatedly.

You can find more information on the new rules [in our previous article](#).

Changes ahead for meal and travel allowances

The Ministry of Labour, Social Affairs and Family of the Slovak Republic released a draft decree on the increase the amounts of meal and travel allowances. This is the result of statistics on the continuing rise in food prices and travel related costs, which are taken into account during the meal allowance calculation.



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As we informed you [in our previous Article](#), new rates of the meal and travel allowances came into force on 1 May 2022. Following latest update, the amounts of meal allowance as well as the basic compensation for each kilometer traveled on a business trip by the private vehicle shall be amended again.

Proposals for both measures are currently subject to the inter-governmental review process by 7 July 2022. The effective date of the draft measures is expected to be 1 September 2022.

We will keep you informed of any new developments in this respect.

Do not forget to file the income tax returns

The deadline for filing the income tax returns with extended deadline up to three months and paying the respective tax is 30 June 2022.



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Taxpayers who requested an extension for filing the income tax returns by three months must meet their statutory obligation by **30 June 2022**.

Parliament approves draft measures called "Kilečko 2"

In December 2021, we informed you about a proposal for measures called "Kilečko 2", the purpose of which was to support business development and simplify processes to improve the business environment. Originally, the effective date of these measures was proposed as of 1 May 2022.



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On June 16, 2022, the National Council of the Slovak Republic approved "Kilečko 2" under the title "act amending certain laws in connection with the improvement of the business environment". Its effectiveness is postponed to **1 September 2022**.

Compared to the [proposed wording](#), only a few provisions were not approved, such as changes concerning Act no. 251/2012 Coll. on Energy and on Amendments to Certain Acts or Act no. 250/2012 Coll. on regulation in network industries. For example, the provisions concerning the possibility of the electricity supplier to set off the electricity customer's overpayment with the due receivable of the electricity supplier or the possibility of the agreement of the contracting parties on another way of settling mutual receivables did not pass. In the area of regulation of network industries did not pass the obligation to publish price decisions and data on economically justified costs related to regulated activities.

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