Tax&Legal Highlights

Slovakia

Personal Data Protection Act

A new act is intended to harmonise Slovak legislation on personal data protection with the GDPR and the Police Directive.

The summer edition of Deloitte News informed you of the forthcoming Personal Data Protection Act (the “Act”).

As noted, the Act is intended to align Slovak legislation on personal data processing with Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data (the “GDPR”) and Directive 2016/680 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data.

The Act is intended to ensure uniform personal data protection legislation, so that data subjects may exercise their rights. The Act also regulates the rights and obligations of controllers and processors, and the security of personal data processing. The Act provides for the responsibilities and procedural powers of the Personal Data Protection Office of the SR as a supervisory authority.

Similar to the GDPR, the Act imposes high sanctions. The Personal Data Protection Office of the SR may impose an administrative fine of up to EUR 20 million, and for an enterprise, up to 4% of the total global annual turnover.

The proposed effective date of the Act is 25 May 2018.

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IFRS Model Financial Statements 2017 – Early Application of IFRS 15

Deloitte's Global IFRS Office has published Appendix 2: Early Application of IFRS 15 Revenue from Contracts with Customers to the Model Consolidated Financial Statements for the year ended 31 December 2017. The appendix supplements the IFRS model financial statements with IFRS 15 disclosures and is intended to help companies that have opted for the early application of IFRS 15 in 2017.

Deloitte's Global IFRS Office has published Appendix 2: Early Application of IFRS 15 *Revenues from Contracts with Customers* to the Model Consolidated Financial Statements for the year ended 31 December 2017. The appendix focuses on the disclosure requirements in IFRS 15, which will be effective for annual periods beginning on 1 January 2018 and is intended to help reporting entities that have opted for the early application of IFRS 15 in 2017. Appendix 2 does not illustrate all the disclosures in IFRS 15, which will depend on the specific facts and circumstances of the reporting entity. To read the publication in English, please see: ***Appendix 2: Early application of IFRS 15*** on our website ***www.iasplus.com***

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Amendment to Act No. 461/2003 Coll. on Social Insurance, as Amended

The most significant changes introduced by an Amendment to Act No. 461/2003 Coll. on Social Insurance, as amended.

The most significant changes introduced by the Amendment to Act No. 461/2003 Coll. on Social Insurance are:

1. Changes effective from 1 January 2018:

- **Changed deadlines for an employer's reporting obligations** – the deadline for an employer's registration in the Social Insurance Agency's Register of Employers is the date preceding the date on which it employed at least one employee. The original deadline for the employer's registration was within 8 days of the date on which it employed at least one employee.
- **Entitlement to an unemployment benefit** – persons who were insured for unemployment for at least two years during the last four years before being registered as jobseekers are entitled to employment benefit. The period for which the unemployment benefit is provided is six months. This means that as of 1 January 2018, there is only one condition and one length of the benefit period.
- **Pension insurance of state-insured persons** – the following persons automatically become state-insured persons for pension insurance purposes, without the need to file an application: persons taking care of a child aged under 6, if entitled to parental allowance; persons taking care of a child aged 6 – 18 with long-term poor health; persons receiving care allowance; and persons providing at least 140 hours of personal assistance per month to severely disabled individuals under a personal assistance contract.
- **Sickness insurance** – if sickness insurance is terminated for employees during the first 10 days of their incapacity to work, they become entitled to a sickness benefit on the date following the termination of sickness insurance.
- **Accident insurance** – the accident insurance rate has been unified at 0.8%. Insurance payments will no longer differ based on the categorisation of employers in safety classes.
- **Increased pensions –** pensions paid as at 1 January of the calendar year or awarded from 1 January to 31 December of the calendar year are increased by the percentage of y/y growth in consumer prices for pensioner households identified for the first half of the preceding calendar year. Under a transitional provision, during the period from 1 January 2018 to 31 December 2021, pensions will increase as stated above, by a minimum of a fixed 2% of the average monthly amount of the relevant pension benefit reported by the Social Insurance Agency as at 30 June of the preceding year, without an increase of the minimum pension.

2. Changes effective from 1 July 2018:

- **Rules for making insurance payments to the Social Insurance Agency from agreements of pensioners** – work agreements of pensioners who retire early will be treated as agreements of pensioners, ie no sickness insurance and unemployment insurance will be paid from the agreements of pensioners who retire early.

- The agreements of pensioners will be governed by similar rules as those applied to temporary workers – students. Pensioners working under an agreement will be able to determine an agreement to which they will apply an exemption from the payment of pension insurance, ie no pension insurance payments are made from the determined agreement unless the assessment base exceeds EUR 200 in the given month). If the assessment base from the agreement to which the exemption has been applied exceeds EUR 200 in any month, pension insurance will only be payable from the amount exceeding this limit.

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