

Tax & Legal news

July, August 2014, Deloitte Slovakia

Direct Taxes:

- **Amendment to the Income Tax Act**
On 10 July 2014, the amendment to the Income Tax Act, under which 75 provisions of the current Act are to be amended, was submitted for interdepartmental comments. More than 600 comments in the preparation of which Deloitte also actively participated were made on the draft amendment.
- **Methodological Instruction on the Taxation of Prizes and Winnings Received by a Natural Person**
The Financial Directorate published the Methodological Instruction on the Taxation of Prizes and Winnings Received by a Natural Person with effect from 1 January 2014, which defines the exemption of received prizes and winnings from personal income tax and the taxation of received prizes and winnings, and explains the collection of withholding tax pursuant to Article 43 of the Income Tax Act on received prizes and winnings.
- **Methodological Instruction on Calculating the Tax Base Pursuant to Article 5 (8) of the Income Tax Act**
The methodological instruction defines a uniform procedure for calculating the tax base pursuant to Article 5 (8), ie which insurance payments and allowances may be used by a taxable person to reduce the tax base. Additionally, it defines a method by which paid health insurance arrears can be deducted from taxable income.
- **Change of procedure of Austrian authorities regarding economic employer**
The Austrian Ministry of Finance issued on 12 June 2014 a decree which changes their interpretation of economic employment concept. This change impacts taxation of employees seconded to/from Austria for a period of less than 183 days.

Indirect Taxes:

- **Guidance on the Execution of a VAT Payment by a Customer from an Invoice Issued by a Supplier Included in a List Published on the Portal of the Financial Administration of the Slovak**
The Guidance on the Execution of a VAT Payment by a Customer Based on an Invoice Issued by a Supplier Included in the List of the So-Called Risk Persons Disclosed on the Portal of the Financial Administration of the Slovak Republic was published on the website of the Financial Administration of the Slovak Republic.

- **Methodological Instruction on the Disclosure of Amended Invoice Data in the VAT Transactions Statement and on the Procedure for Receiving a Payment for a Future Supply of Goods Subject to a Transfer of a Tax Liability**

The Financial Directorate published a Methodological Instruction on the Disclosure of Amended Invoice Data in the VAT Transactions Statement and on the Procedure for Receiving a Payment for a Future Supply of Goods Subject to a Transfer of a Tax Liability.

- **Decisions of the Court of Justice of the European Union in the Area of VAT**

C-183/13 Banco Mais – Application of a Special Method to Determine a Coefficient for Calculating Deductible VAT in the Acquisition of Mixed Use Goods or Services

The CJ EU has ruled that a Member State may compel a bank that, inter alia, carries out lease activities to include in the numerator and denominator of the fraction used to determine a single deductible proportion for all of its mixed use goods and services, just the part of the rental payments made by customers as part of their lease agreements that corresponds to interest, where that use of the goods and services is primarily caused by the financing and management of those lease agreements.

Legal:

- **Amendments to the Labour Code**

The amendments are to regulate work on holidays and Sundays, and to introduce changes in the secondment of employees.

- **Amendment to the Commercial Code**

The amendment is to, inter alia, decrease the minimum amount of registered capital required for limited liability companies, and to introduce some new institutes in the Commercial Code.

- **Amendment to the Act on Bankruptcy and Restructuring**

The amendment is to regulate responsibilities arising from the Act on Bankruptcy and Restructuring, as well as certain provisions related to the course and effects of bankruptcy proceedings.

- **Amendment to the Employment Services Act**

The amendment is to introduce measures to increase youth employment.

- **Deloitte Legal Dbriefs**

Others:

- **New Obligations Related to Transfer Pricing Documentation**

The Ministry of Finance of the Slovak Republic issued new Guidelines No. MF/8120/2012-721 determining the content of the documentation on the transfer pricing method applied by a taxable person to identify a difference pursuant to Article 17 (5) of Act No. 595/2003 Coll. on Income Tax, as amended, which replaces the original Guidelines No. MF/8288/2009-72 on determining the content of the documentation on the transfer pricing method applied by a taxable person.

- **Adoption of an Amendment to the Act on Subsistence Minimum**

With effect from 30 June 2014, the Act on Subsistence Minimum is amended to prevent a decrease in the subsistence minimum.

- **Dbriefs**

Please contact your usual Deloitte contact person or any of the contact persons listed here if you would like our help.

Taxation of Companies

Pavol Berec	pberec@deloitteCE.com
Janka Farkašová	jafarkasova@deloitteCE.com
Silvia Hallová	shallova@deloitteCE.com
Valéria Morťaniková	vmortanikova@deloitteCE.com

VAT and Customs

Adham Hafoudh	ahafoudh@deloitteCE.com
Ján Skorka	jskorka@deloitteCE.com
Ivana Dvořáková	idvorakova@deloitteCE.com

German Desk

Silvia Hallová	shallova@deloitteCE.com
Miroslava Terem Greštiaková	mgrestiakova@deloitteCE.com

Korean Desk

Je Soon Ryu	jasonryu@deloitteCE.com
-------------	-------------------------

Taxation of Individuals

Larry Human	lhuman@deloitteCE.com
Ľubica Dumitrescu	ldumitrescu@deloitteCE.com
Mariana Ježíková	mjezikova@deloitteCE.com

Transfer Pricing

Michal Antala	mantala@deloitteCE.com
Martin Sabol	msabol@deloitteCE.com

Legal Desk

Miroslava Terem Greštiaková	mgrestiakova@deloitteCE.com
Róbert Minachin	rminachin@deloitteCE.com

Deloitte Tax k.s.
Digital Park II
Einsteinova 23
851 01 Bratislava
Slovak Republic
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
www.deloitte.sk

Deloitte Legal s.r.o.
Digital Park II
Einsteinova 23
851 01 Bratislava
Slovak Republic
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
www.deloitte.sk

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, any of its member firms or any of the foregoing's affiliates (collectively the "Deloitte Network") are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/sk/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 200,000 professionals are committed to becoming the standard of excellence.