

INFORMATION - Slovakia

Use and Enjoyment - VAT Directive 2006/112/EC - Article 59a

In Slovakia, there are no specific use and enjoyment rules applicable with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons in accordance with Article 59a of Directive 2006/112/EC.

Time of supply / chargeability - Deferment and Cash Accounting Scheme - VAT Directive 2006/112/EC - Article 66

In Slovakia, telecommunications, broadcasting and electronic services provided to non-VAT taxable persons become taxable according to the normal rules provided for under Directive 2006/112/EC.

Starting from 1 January 2016, the cash accounting scheme can be applied (in line with section 68d of the Slovak VAT Act). However, this particular provision is not relevant for businesses supplying telecommunications, broadcasting and electronic services using the MOSS scheme as the cash accounting scheme can be used only when goods and services are supplied in the territory of the country by the Slovak established taxpayers with an annual turnover not exceeding EUR 100.000.

Time of supply / chargeability - Continuous supplies - VAT Directive 2006/112/EC - Article 64(2)

In Slovakia, continuous supplies of services are considered to be supplied no later than the last day of the period to which the payment for the services relates.

If a payment for continuous supplies of service is agreed for a period exceeding 12 calendar months, the service is deemed to be provided on the last day of each 12th calendar month, until the supply is completed.

However, when electronic communication networks and electronic communication services are provided continuously, along with electronic services, by persons authorised to provide such networks and services under a separate regulation, the service is regarded as being provided no later than the day when an invoice is issued. If no invoice has been issued until the last day of the third calendar month following the calendar month in which the service was provided, the tax becomes chargeable as of the last day of the third calendar month following the month in which the service was provided (Slovak Act no. 222/2004 Coll. on VAT).

Reference to the above may be found in Article 19 of the Slovakian VAT legislation.

Re-valuation of services at open market value - VAT Directive 2006/112/EC - Article 80

In Slovakia the taxable amount of telecommunications, broadcasting and electronic services provided to persons not registered for VAT may be deemed to be the market value where the service is provided between related parties.

Related parties include persons with close personal ties, management, employees, members of board, members of companies' bodies, statutory representatives, members of groups, family members.

Reference to the above may be found in Article 22 of the Slovakian VAT legislation.

Bad Debt relief - VAT Directive 2006/112/EC - Article 90

Bad debt relief is not available in Slovakia with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Application of reduced VAT rates - VAT Directive 2006/112/EC - Article 98

In Slovakia, no reduced VAT rates apply with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Standard VAT Rate - VAT Directive 2006/112/EC - Article 96-97

In Slovakia the standard VAT rate is 20%.

Reference to it may be found in Article 27 of the Slovak VAT Act.

Release from payment of insignificant amounts of VAT - VAT Directive 2006/112/EC - Article 212

In Slovakia, a person that is not a taxpayer is not required to pay the tax if the tax to be paid does not exceed EUR 5. However, this particular provision is not relevant for businesses supplying telecommunications, broadcasting and electronic services using the MOSS schemes.

Reference to the above may be found in Article 78 of the Slovakian VAT legislation.

Invoicing Obligations - Obligation to issue an invoice - VAT Directive 2006/112/EC - Articles 217-249

In Slovakia a taxable person is required to issue a VAT invoice with respect to telecommunications, broadcasting and electronic services provided to non-taxable legal person. There is no obligation to issue invoice in case of supplies to private individuals.

Reference to the above may be found in Article 72 of the Slovakian VAT Act.

Invoicing Obligations - Content of an invoice - VAT Directive 2006/112/EC - Articles 217-249

Invoices should be issued in accordance with Directive 2006/112/EC.

Reference to the above may be found in Article 74 of the Slovakian VAT Act.

Invoicing Obligations - Time limit for issuing an invoice - VAT Directive 2006/112/EC - Articles 217-249

According to Slovak legislation, the invoice for supply of services must generally be issued no later than within 15 days from:

- the day of the supply of services;
- the day of the receipt of an advance payment for the services; or until the end of the month in which the advance payment was received.

Reference to the above may be found in Article 73 of the Slovakian VAT legislation.

Invoicing Obligations - Summary Invoices - VAT Directive 2006/112/EC - Articles 217-249

A summary invoice for several separate supplies of services or for several payments received prior to the supply of services may be issued, however it cannot cover a period longer than a calendar month. The summary invoice must be issued no later than within 15 days from the end of respective calendar month.

Reference to the above may be found in Article 75 of the Slovakian VAT legislation.

Invoicing Obligations - Electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

In Slovakia, electronic invoices may be used in accordance with the provisions laid down in Directive 2006/112/EC.

Reference to the above may be found in Article 71 of the Slovakian VAT legislation.

Invoicing Obligations - Batch of electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

Where several electronic invoices are sent or made available to the same recipient in a single batch, the details common to the individual invoices may be mentioned only once where, for each invoice, all the information are accessible.

Reference to the above may be found in Article 74 of the Slovakian VAT legislation.

Additional obligations deemed necessary for collecting VAT and preventing evasion (anti-avoidance measures) - VAT Directive 2006/112/EC - Article 273

Slovakia has not implemented any rules or anti-avoidance measures that may directly impact telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Stand-still scheme - Derogations for States which were members of the Community on 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

N/A

Stand-still scheme - Derogations for States which acceded to the Community after 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

There are no provisions which are applicable under a Stand-still Scheme in the Slovakian VAT legislation or subject to common practice in Slovakia that may be relevant for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Treatment of vouchers

There are no specific rules in Slovak VAT law regarding the VAT treatment of vouchers. The current approach is in line with the CJEU case-law.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (E-learning activities)

According to Slovak legislation, the supply of education by an eligible body established in Slovakia is an exempt supply with no right to input VAT deduction. E-learning services are in principle taxable in Slovakia, unless made by an eligible body, school, university or college as part of education service.

Eligible bodies are (inter alia):

- Schools established according to specific legislation
- Universities established according to specific legislation
- Other further educational institutions designated in legislation
- Non-profit-making organisations that meet certain conditions.

Reference to the above may be found in Article 31 of the Slovakian VAT legislation.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (Gambling activities)

Operating lotteries and similar games by company operating under a specific legislation (Act on lottery and other similar games) are VAT exempt services with no right to input VAT deduction. No mention about online gaming services is included in the legislation. Generally, if online gaming services are performed by a company operating under the specific legislation and closely related to lotteries and similar games, such services should also be VAT exempt.

Reference to the above may be found in Article 41 of the Slovakian VAT legislation.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (General)

There are no further exemptions in the Slovak VAT legislation under which the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons may fall.

VAT Registration Process

The VAT registration process for both MOSS special schemes is accessible via the financial administration web portal. The information required is in accordance with the relevant EU legislation (Council Directive 2008/8/EC & Commission Implementing regulation (EU) 815/2012).

Access to web-portal and contact details of the local VAT Authorities

Link to the registration form on the web portal of the Financial Directorate:

<<https://www.financnasprava.sk/en/electronic-communication/moss-scheme/registration-for-moss-scheme>>

General Contact:

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Appointment of a VAT Agent

There is no concept of a VAT agent in Slovakia. However, any person should be able to act as agent with a Power of Attorney.

Penalties for non-compliance (Failure to register and late registration)

In accordance with the Slovak tax legislation, the tax authorities shall impose a lump sum penalty for late registration of an amount between EUR 60 and 20,000, at the discretion of tax authorities. When determining the amount of the fine, the tax administrator shall consider the severity, duration and consequences of the illegal condition.

Reference to the above may be found in Articles 154 and 155 of the Act on Tax Administration (Tax Procedure Code).

Penalties for non-compliance (Non-payment and late payment of VAT)

In Slovakia, interest is payable for late payment or non-payment. Interest shall amount to four times of the base rate of the European Central Bank per annum (and be no less than 15%) and is calculated for each day of delay. Sanction interest can be calculated for up to four years.

Reference to the above may be found in Article 156 of the Act on Tax Administration (Tax Procedure Code).

Penalties for non-compliance (Non-submission and late submission of VAT returns)

In accordance with the Slovak tax legislation, the tax authorities shall impose a lump sum penalty for non-compliance with VAT filing obligation for an amount ranging between EUR 30 and EUR 16,000. When determining the amount of the fine, the tax administrator shall consider the severity, duration and consequences of the illegal condition.

Reference to the above may be found in Articles 154 and 155 of the Act on Tax Administration (Tax Procedure Code).

Penalties for non-compliance (Incomplete and incorrect VAT returns)

In case the VAT liability is increased/VAT deduction is decreased, corrections of tax returns are penalised reflecting the time aspect as follows:

- In the amount of the base rate of the ECB per year calculated from the additional tax liability assessed in the additional tax return, but not less than 3 % per year;
- In the amount of two times the base rate of the ECB per year calculated from additional tax liability assessed in additional tax return filed within 15 days starting by the date the tax audit was opened, but not less than 7 % per year;
- In the amount of three times the base rate of the ECB p.a. calculated from the amount set by tax authorities in the assessment proceedings, but not less than 10 % per year.

Reference to the above may be found in Articles 154 and 155 of the Act on Tax Administration (Tax Procedure Code).

Penalties for non-compliance (Non-compliance with invoicing and accounting obligations)

In Slovakia, a lump-sum penalty from EUR 60 up to EUR 3,000 for non-compliance with non-monetary obligations shall be imposed. When determining the amount of the fine, the tax administrator shall consider the severity, duration and consequences of the illegal condition.

Reference to the above may be found in Articles 154 and 155 of the Act on Tax Administration (Tax Procedure Code).