

INFORMATION - Slovenia

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

In accordance with an amendment to the Slovene Regulation implementing the VAT Act, applicable as of 1 January 2017, the special use and enjoyment rule for telecommunication services was abolished, which means that from 1 January 2017 onwards, the place of supply of telecommunication services is determined not based on the use and enjoyment rule but rather based on the general rule for determination of place of supply of services (B2B).

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

In Slovenia, cash accounting scheme according to which the taxable person may account and pay VAT at the time payment is received from the customer is available. This scheme may be used by taxable persons whose turnover was below EUR 400,000 (excluding VAT) in the last 12 months and is not likely to exceed this threshold in the next 12 months. Conditions of application of the special arrangement following the paid invoice charged on cash basis:

The taxable person from paragraph (1) of Article 131 of VATA-1 Act may apply the special arrangement following the paid invoice charged on cash basis on the first day of any tax period provided that:

- he has submitted all required VAT returns and that he has settled all outstanding liabilities for VAT;
 - prior to the transition to the special arrangement for VAT charged following the paid invoice charged on cash basis he has not been finally convicted of a criminal offence or a major violation of VAT rules;
 - he has not applied this special arrangement within a twelve-month period prior to the transition to the special arrangement for VAT charged following the paid invoice charged on cash basis;
 - he has provided for the compliance of his accounting with the conditions of application of the special arrangement for VAT charged following the paid invoice charged on cash basis;
 - he has notified the tax office of the tax period in which he intends to introduce the special arrangement for VAT charged following the paid invoice charged on cash basis at least 15 days prior to the date of application of this special arrangement. The taxable person shall submit the notification to the tax authority in electronic form.
- The taxable person from the preceding paragraph, who starts using the special arrangement for VAT charged following the paid invoice charged on cash basis shall show separately in his accounting records all payments he receives or makes in connection with the transactions for which he is liable to assess his tax liability based on incoming and outgoing invoices.

Reference to the above may be found in Articles 131 to 137 of the VAT Act (special arrangements for the "cash accounting scheme").

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

In Slovenia, continuous supplies (for which successive invoices are issued or payments are made) are regarded as being completed on expiry of the periods to which such statements of account or payments relate. However, these periods shall not exceed one year.

Reference to the above may be found in Articles 33(2) and (4) of the Slovene VATA-1 Act.

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

In Slovenia where the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons is made between two related parties, the taxable amount may be deemed to be open market value, if:

- the consideration for the supply is lower than the open market value and the recipient of the supply is not entitled to a full VAT deduction according to Articles 62, 63, 65, 66, 74 and 74.i of VATA-1 Act;
- the consideration for the supply is lower than the open market value and the supplier is not entitled to a full VAT deduction according to Articles 62, 63, 65, 66, 74 and 74.i of VATA-1 Act, and the supply is subject to exemption according to paragraph (1) of Article 42, Article 44 and paragraph (2) of Article 49 of VATA-1 Act;
- the consideration for the supply is higher than the open market value and the supplier is not entitled to a full VAT deduction according to Articles 62, 63, 65, 66, 74 and 74.i of VATA-1 Act.

Generally, related parties are deemed family members or in case of legal entities, a legal entity that holds directly or indirectly at least 25% of ownership in the capital or shares or voting rights in another entity, or two legal entities which are under common control of a person or legal entity who holds at least 25% of ownership in the capital or shares or voting rights in both entities.

The open market value shall mean the full amount that the customer or recipient should pay to an independent supplier or contractor for a comparable supply of goods or services in the territory of Slovenia on acquisition of goods and services in conditions of fair competition.

Comparable supplies for the open market value include other supplies in the territory of Slovenia. In case comparable supplies in Slovenia are not available, the open market value for services is considered to be an amount which is not lower than all costs incurred for providing the service.

Reference to the above may be found in Article 36a of the Slovene VATA-1 Act.

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

Bad debt relief is available in Slovenia upon receipt of a final Court's decision on termination of insolvency or bankruptcy proceedings after which the invoice remained partially or fully unpaid. It is possible to claim bad debt relief also for all recognized receivables in the bankruptcy proceeding towards a non-VAT taxable person. The taxable person should charge and pay VAT from all subsequently received payments of receivables for which he claimed bad debt relief.

Reference to the above may be found in Article 39(2) and (3) of the Slovene VATA-1 Act.

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

In Slovenia, 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 Slovenia the standard VAT rate is 22%.

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

Slovenia has not implemented a rule under its domestic legislation whereby taxable persons are released from the payment of VAT where the amount due is insignificant.

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

In Slovenia, a taxable person is required to issue an invoice with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Reference to the above may be found in Article 81 of the Slovene VATA-1 Act.

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

Taxable persons may issue a simplified invoice with respect to telecommunications, broadcasting and electronic services provided to non-taxable persons. Such invoice should at least include the following information:

- the date of issue;
- a sequential number which uniquely identifies the invoice;
- an identification number for VAT purposes, under which the supply of goods or services were provided;
- the name and address of the taxable person and identification number for VAT purposes under which the supply of goods or services were provided
- the quantity and type of goods or services supplied;
- the amount of VAT to be paid or information required to calculate it and
- in case of issue of a document that changes the previously issued invoice, such document should include a reference to the previous invoice and details of changes.

The Slovene VAT Act does not prescribe a mandatory language to be used on the invoices. However, the Tax Authorities may request their translation to Slovenian language during a tax audit. According to the Public Use of the Slovene Language Act all correspondence (including invoices) made by a taxable person performing activities in Slovenia with Slovenian based customers should be made in Slovene language. In practice the Tax Authorities often accept invoices issued in a foreign language.

Reference to the above may be found in Article 83(2) of the Slovene VATA-1 Act.

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

There are currently no provisions in Slovenian VAT legislation which impose time limits for issuing invoices with respect to telecommunications, broadcasting and electronic services provided to non-taxable persons. However, the Slovene Act on fiscal verification of invoices stipulates that, in case of cash transactions, the person liable shall issue the invoice for the performed supplies of goods or services at the latest when the supply is performed and payment in cash is received.

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

According to VAT Act, summary invoice for several separate supplies of goods or services may be issued provided that VAT on the supplies becomes chargeable during the same tax filing period (i.e. per quarter under the MOSS).

Reference to the above may be found in Articles 81(6) of the Slovenian VATA-1 Act.

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

E-invoicing in Slovenia is subject to the rules under Directive 2006/112/EC.

Reference to the above may be found in Article 84 of the Slovenian VATA-1 Act.

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

The use of batches of electronic invoices in Slovenia is subject to the rules under Directive 2006/112/EC.

Reference to the above may be found in Article 84(7) of the Slovenian VATA-1 Act.

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

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

On 2 January 2016, Slovenia has implemented a mandatory system of fiscal verification of invoices. The obligation to fiscally verify issued invoices is limited to supplies of goods and services which are paid for in cash. Nevertheless, the definition of cash for this purpose is broad, which means that payment in cash is defined as a payment with banknotes and coins which are in circulation as means of payment, other means of payment which are not direct transfers to the transaction account open at the provider of payment services, payments with payment cards or credit cards, cheques and other similar means of payment.

Further to the above, there are also certain exemptions from this obligation. Namely, the supply of telecommunication services, broadcasting services or electronic services does not fall under the obligation of fiscal verification of issued invoices when the supply is performed by taxpayers not established in the Republic of Slovenia, to persons who are not taxpayers according to the VAT regulations.

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 Slovenian VAT legislation or subject to common practice in Slovenia that may be relevant for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Treatment of vouchers

The Slovenian VAT legislation does not clearly distinguish between Single Purpose Vouchers and Multi-Purpose Vouchers. However, different tax treatment can apply to vouchers which have similar characteristics of a Single Purpose Voucher or a Multi-Purpose Voucher based on general VAT provisions. The Tax Authorities have further clarified different tax treatments of different types of vouchers.

The distinction is made between vouchers which refer to purchase of specific services or goods ("service or good vouchers") and vouchers which do not refer to specific services or goods ("value vouchers"). For the first type of vouchers, VAT becomes chargeable on the date of the receipt of the payment (in case the payment occurs before the supply). When a voucher is provided to a non-taxable person, an invoice does not need to be issued upon receipt of the payment but on the date of the supply. Prepaid telephone cards are included in this group with the difference that an invoice does not need to be issued on the date of the supply.

The second type of vouchers is regarded as being a legal offer and VAT becomes chargeable on the date of the supply. At that time the taxable person should also issue an invoice.

There is currently no indication as to whether Slovenia is considering implementing specific VAT treatment of vouchers and it is expected that the above rules will apply in relation to services supplied under the MOSS.

Reference to the above may be found in Articles 33(1)(5) and 81(5) of the Slovenian VATA-1 Act and 143(2) of the Regulation on the implementation of the VATA-1 Act.

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

According to Slovene VAT legislation, education services rendered by eligible public institutes or other organizations are exempt from VAT without the right to deduct input VAT provided that the exemption does not lead to distortion of competition.

Tuition fees given privately by persons fulfilling the conditions required for teaching in a public school and covering school education are also VAT exempt in Slovenia.

There is no specific reference in the Slovenian VAT legislation regarding the supply of e-learning services or other Relevant Services in the area of education. However, these services should be exempt provided that the conditions stated above are met.

Reference to the above may be found in Article 42(1) point 8 and 9 of the Slovenian VATA-1 Act and Article 66 of the Regulation on the implementation of the VATA-1 Act.

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

According to the Slovene VAT legislation games of chance are exempt from VAT (this also includes games of chance provided online).

Games of chance are not specifically defined in the Slovene VAT legislation. They are defined in the Gaming Act as games where participants against a payment of a specific amount have equal chances to win the prize and the outcome of the game exclusively or mainly depends on chance or other uncertain event. Although there is no specific guidance in the Slovene legislation, e-gambling should also qualify for the above exemption.

Reference to the above may be found in Article 44 point 6 of VATA-1 Act.

There is no clear guidance in the Slovenian legislation regarding the VAT treatment of bonus points/credits earned as part of e-gambling activities and it is recommended that the exact VAT treatment is analysed on a case by case basis.

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

There are no further VAT exemptions applicable under the Slovenian VAT legislation that would apply to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Registration Process

The VAT registration process for both Union scheme and non-Union scheme must be made electronically via the financial administration web portal eDavki <https://edavki.durs.si/OpenPortal/Pages/StartPage/StartPage.aspx>

Reference to the above may be found in Articles 125 and 130c of the VATA-1 Act and Article 171 of the Regulation on the implementation of the VAT Act.

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

Web portal: <https://edavki.durs.si/OpenPortal/Pages/StartPage/StartPage.aspx>

General Contact and contact VAT obligations and reimbursements:

e-mail: moss.fu@gov.si

Appointment of a VAT Agent

Generally, non-EU established taxable persons performing business activity in Slovenia should appoint a VAT representative. However, this provision does not apply to non-EU established businesses supplying telecommunications, broadcastings and electronic services (a VAT representative is not mandatory).

There are currently no provisions regarding the obligation for EU established businesses to appoint VAT representative for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons. Taxable persons may nonetheless appoint an agent/mandatory for the filing of VAT returns.

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

A penalty ranging between EUR 2,000 and EUR 125,000 may be imposed to a legal person failing to submit a request for issuance of the VAT identification number in Slovenia or for late submission of a request to issue the VAT identification number in Slovenia.

Penalties ranging from EUR 200 to EUR 4,100 may be imposed to any person liable for the legal entity.

Usually, the penalty for late submission is not imposed in case of voluntary disclosure of past transactions.

Reference to the above may be found in Article 141 of the Slovenian VATA-1 Act.

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

A penalty ranging between EUR 1,200 and EUR 41,000 may be imposed in case a legal person fails to report, submit or pay VAT on telecommunications, broadcasting and electronic services during the specified time limit and in the required manner.

A penalty ranging between EUR 2,000 and EUR 125,000 may be imposed to a legal person for not paying VAT or for late VAT payment.

Penalties ranging from EUR 200 to EUR 4,100 may be imposed to any person liable for the legal entity.

No penalties are levied in case a voluntary disclosure is made (but late payment interest remains subject to the following rate: 1-year EURIBOR + variable part). The variable part of interest rate equals:

- 1 percentage point, if the voluntary disclosure is made within the first month after the due date for submission of the VAT report,
- 2 percentage points, if the voluntary disclosure is made within 6 months after the due date for submission of the VAT report,
- 3 percentage points, if the voluntary disclosure is made within 1 year after the due date for submission of the VAT report,
- 4 percentage points, if the voluntary disclosure is made later than 1 year after the due date for submission of the VAT report.

Reference to the above may be found in Articles 88.c(2), 140 and 141 of the Slovenian VATA-1 Act.

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

A penalty ranging between EUR 1,200 and EUR 41,000 may be imposed in case a legal person fails to submit a special VAT return for electronic services to the Tax Authorities or fails to submit it within the prescribed time limit to the Tax Authorities.

A penalty ranging between EUR 2,000 and EUR 125,000 may be imposed in case a legal person fails to submit a VAT return or fails to submit it within the specified time limit.

Penalties ranging between EUR 200 and EUR 4,100 may be imposed to any person liable for the legal entity. Reference to the above may be found in Article 140(7) and 141(8) of the Slovenian VATA-1 Act.

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

A penalty ranging between EUR 1,200 and EUR 41,000 may be imposed in case a legal person fails to include the required data in the VAT return for electronic services.

A penalty ranging between EUR 2,000 and EUR 125,000 may be imposed in case a legal person fails to include the required data in the VAT return.

Penalties ranging from EUR 200 to EUR 4,100 may be imposed to any person liable for the legal entity.

Reference to the above may be found in Article 140(7) and in Article 141(8) of the Slovenian VATA-1 Act.

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

A penalty ranging between EUR 1,200 and EUR 41,000 may be imposed in case a legal person fails to include the required information on the invoice.

A penalty ranging between EUR 2,000 and EUR 125,000 may be imposed in case a legal person fails to issue an invoice, fails to provide the authenticity of origin, integrity of content and legibility of invoices during the specific period referred to in Articles 84(4) and 86(3) of the VATA-1 Act, fails to provide in his bookkeeping the data referred to in Article 85 of the VATA-1 Act or fails to provide them for the specified period, fails to store accounting books and other required documents during the specified period.

Penalties ranging between EUR 200 and EUR 4,100 may be imposed to any person liable for the legal entity.

Reference to the above may be found in Articles 140(3) and 141(5-7) of the Slovenian VATA-1 Act.