Amendments to Slovak legislation and other topics

Welcome to our summer issue of Tax & Legal News.

In this issue we have prepared information for you on the following topics:

- **Draft amendment to the Income Tax Act in interdepartmental consultation,**
- **Political agreement on amendment to Parent Subsidiary Directive,**
- **Methodological Instruction regulating the correction of errors of past accounting periods**
- **Subsistence (living) minimum,**
- **New judgment of the Court of Justice of the EU in case Granton Advertising,**
- **Guidance issued by the Slovak Financial Directorate regarding payment by customer of VAT from invoice issued by supplier in relation to VAT joint and several liability,**
- **Amendment to the Commercial Code under preparation,**
- **Amendment to the VAT Act approved by the Slovak Parliament.**

We wish you a pleasant and valuable read!

Amendment to the Act on Income Tax in interdepartmental consultation

The Slovak Ministry of Finance has prepared a draft amendment to Act No. 595/2003 Coll. On Income Tax as amended, which after approval by the Parliament and signature by the president should take effect on 1 January 2015. The draft amendment to the Income Tax Act introduces many changes, which should they be approved by the Parliament will have a significant impact on the taxable base of taxpayers in Slovakia.
The summary of some of the proposed changes is presented below:

- **Tax deductible expenses** – in the case of assets (e.g. computers, furniture, cars etc.), which are for personal use as well as any related expenditures, such expenses will be tax deductible only up to the level of the generated taxable income from such assets.
- **Financial leases** will be defined differently. Under the current rules, a lease must have a minimum 3 year term for the lease to qualify as a financial lease arrangement. It is proposed now that the minimum lease period of 3 years will be cancelled. Further in the cases of land leases, it will be important to note whether there is a building on the land which is categorized in the 5th or the 6th tax depreciation group, i.e. based on the new rules depreciated over 20 or over 40 years. Also if there is a purchase price option at the end of the lease for the lessee, this will also need to be taken into consideration. All lease arrangements entered into from 1 January 2014 to 31 December 2014 including the transfer of lease arrangements to a new lessee without any change in the lease conditions will be subject to the new tax rules.
- **Compensation for a different than property** damage for an individual will form a taxable income, e.g. if compensation is received for the damage of reputation or similar.
- **Mortgages and construction loans** – expenses demonstrably incurred by an individual for the acquisition of assets will also include interest paid on mortgages and construction loans, which were not capitalized in the acquisition

of the business assets. From the proposed wording it is not clear if the mentioned advantages apply also to immovable property not included in the business assets or also assets not depreciated by an individual for tax purposes.

- **Services** – taxable income of non-residents providing services, if these will not be rendered via a permanent establishment in Slovakia, will be regarded as having their source in Slovakia and thus be subject to withholding tax. This will be only applicable if rendered in the territory of Slovakia and if the respective double taxation avoidance treaty does not stipulate otherwise.
- **Cancelled investments** – if long-term assets were acquired and the cancellation of the investment is not classified as a damage for the taxpayer, the costs of the cancelled investments will in future be probably included into the tax base over 36 months starting from the month in which the investment and the works were cancelled in the books of the taxpayer.
- **Transfer pricing** – a major change was proposed in the area of transfer pricing. If the draft amendment will be passed, transfer pricing rules will apply also to Slovak persons (individuals and companies) connected to Slovak persons and these taxpayers will have to prepare transfer pricing documentation. If the documentation will not be submitted to the tax authorities within 15 days of their request, the taxpayers may expect sanctions of up to EUR 3,000, also repeatedly.
- **The following costs (expenses) will be included in the tax base only after actual settlement is performed**:
  - **Compensation payments** paid to the customer in line with the act on regulation in the network industries (further details not currently specified),
  - **Costs (expenses) on rental**, while the rent paid to an individual will be deductible up to the maximum amount attributable to the respective taxable period,
  - **Costs for marketing and other studies, costs for market research and costs for obtaining norms and certifications** will be included in the taxable base evenly over 36 months, starting from the month in which the taxpayer booked these costs,
  - **Compensation for mediation**, also if mediation is based on mandate and similar contracts, will be included at a maximum of 10% of the value of the mediated business,
  - **Costs (expenses) connected to the payment of Slovak sourced income paid to a taxpayer from a non-treaty country** and at the same time after the obligation to withhold withholding or security tax is fulfilled and is announced to the tax authorities.
- **Expenses from the acquisition, use, repairs and maintenance of assets listed in attachment 6** with the exception of expenses for personal use will be tax deductible only up to 80% of these costs, however, if the taxpayer proved that these assets are used only for the generation, assurance and securing of income, 100% of these costs can be deducted from the taxable base. These assets include:
  - Consumer electronics,
  - Optical and photographical equipment,
  - Appliances for household,
  - Grass-cutters,
  - Personal cars,
  - Airplanes and space shuttles,
  - Furniture.
- **The tax residual value of the assets listed in the amendment** (e.g. scooters, ships, airplanes, space shuttles, motorbikes, bikes and **buildings and constructions included in the tax depreciation group 6**) will be tax deductible only up to the income from their sale, i.e. a loss from the sale of the listed assets will be tax non-deductible.
- **Membership fees** arising from voluntary membership in an entity the purpose of which is the protection of interests of the payer will be tax deductible up to a total of 5% of the taxable base, but not exceeding EUR 30,000 annually.
- **Compensation for the collection of receivables** will be tax deductible only up to 50% of the collected receivable.
- **Reserves for supplies of goods and services for which invoices were not yet received, as well as reserves for the cost associated with the preparation and audit of financial statements and annual reports and reserves for the completion of tax returns** will be tax non-deductible.
- **Promotional items** – alcohol and cigarettes with an acquisition value of up to EUR 17 per piece will be excluded from possible promotional items, with the exception of taxpayers whose main business is the production of these items.
- **Lump sum compensations connected to the claim of receivables, contractual penalties, delay settlements and late payments interest in the case of the debtor** will not be tax deductible.
- **The cost of expired goods** will in general be tax non-deductible unless the taxpayer will prove that measures for the promotion of sales of such goods were taken prior to the expiration of the expiration period in the form of progressive price reductions, with the exception of providing stock to the Slovak food bank free of charge.
- **Earning stripping rules** will only apply to legal entities, with the exception of banks, insurance companies, reinsurance companies and their Slovak branches. Their application was extended to all related parties in line with the definition of related parties for transfer pricing purposes, not only to foreign related parties. Based on the proposed wording interest exceeding 25% of the value of the indicator calculated as the accounting result before tax declared based on the local accounting rules or the IFRS increased by the included depreciation and interest costs

(EBITDA), will be tax non-deductible. At the same time, if the condition for granting a loan to the debtor will be the provision of a directly connected loan or contribution to the creditor by a person connected to the debtor, the creditor will be regarded as a related party to the debtor.

- **Tax depreciation:**
  - **Technical improvement of assets leased on financial lease** will be excluded from depreciable assets.
  - **In the case of state aid** in certain cases there will be the obligation to interrupt the tax depreciation of tangible assets.
  - **Tax depreciation of motor vehicles** – if expenses on fuel will represent a lump sum for tax purposes, the tax depreciation will have to be shortened to the same proportion as the proportion used to calculate the deductible fuel expenses. Otherwise the taxpayer will have to prove that the car was used solely for the securing, generating and maintaining of income. In the case of taxpayers not achieving a sufficient profit, tax depreciation will be allowed only up to a maximum amount of EUR 48,000 which will be regarded as the acquisition cost of a car. Other costs connected to cars will be tax deductible in proportion to the lump sum costs for fuel.
  - **6 tax depreciation periods will be introduced:**
    - 1. group – **4 years** (e.g.. computers, personal cars, GPS equipment etc.)
    - 2. group – **6 years** (e.g. mounted constructions from wood and plastic, if not connected to the utilities, radiators, furnaces, lifting and handling mechanisms etc.)
    - 3. group – **8 years** (e.g. electric engines, turbines, metallurgy machines, cooling and air-conditioning system with the exception for households etc.)
    - 4. group – **12 years** (e.g. mounted constructions from concrete and metals, if not connected to utilities, ships, airplanes, space shuttles, air-conditioning, lifts, escalators and moving stairs etc.)
    - 5. group – **20 years** (buildings and engineer constructions with the exception of buildings and constructions in the group 6)
    - 6. group – **40 years** (residential buildings, hotels and similar buildings, administrative buildings, buildings for culture and public entertainment, education and healthcare, other non-residential buildings with the exception of agricultural buildings, other engineer constructions)
  - In the case of the use of a building, its main use is determined based on the entire usable area.
  - **Accelerated tax depreciation** will be possible only in the case of assets included in the 2. and 3. tax depreciation groups.
  - **Interruption of tax depreciation of tangible assets** will not be possible via a supplementary income tax return.
  - The changes in tax depreciation will be used for the first time for periods starting on 1.1.2015 and later. In the case of assets depreciated based on the accelerated tax depreciation which does not fall within the tax depreciation groups 2 and 3, the future tax depreciation must be adjusted, while the tax depreciation applied already in the past does not have to be corrected.
- In the case of rental of cars not only the tax depreciation will be limited, but also the rental costs if the acquisition value of the cars exceeds EUR 48,000 and there will not be sufficient profit generated by the taxpayer. These provisions will also apply to already acquired or rented cars based on the currently proposed wording.
- **Carry forward of tax losses** will be possible only evenly for 4 years, the possibility to use the carried forward tax losses "at maximum" over 4 years will be withdrawn from the respective provision.
- **Deduction for research and development costs:**
  - It will be possible to deduct the aggregate of:
    - 25% costs for R&D in the taxable period for which the tax return is filed,
    - 25% labour and other similar costs of a graduate in a permanent employment relationship,
    - 25% of costs for R&D incurred in the taxable period which exceeds the aggregate of these costs in the previous taxable period.
  - It will be necessary to maintain a separate evidence of these expenses and in general the above scheme will not be applicable to services, licences and intangible results of R&D acquired from other parties.

We will keep you informed on further developments in this area.

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Political agreement on amendment to the Parent Subsidiary Directive

Further to information published in May's issue of Tax and Legal News, on 20 June 2014 the Council of the EU (ECOFIN) reached a political agreement on a revised version of the European Commission's proposed amendments to the EU Parent-Subsidiary Directive ("Directive"). Since there was disagreement on the general anti-avoidance rule (GAAR), the revised text contains just measures to combat the use of hybrid loans. The changes aimed at hybrid loan arrangements could impact certain group financing arrangements.

Political discussions will continue on the proposal to introduce a GAAR in the Directive.

According to the approved text, all Member Stetes will have to implement

the new anti-hybrid rules in their domestic legislation (including Slovakia) by 31 December 2015 at the latest.

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A Methodology Instruction regulating the correction of errors of past accounting periods

A Methodology Instruction issued by the Slovak Financial Directorate in June 2014 summarizes the impact of correcting of errors of past accounting periods on the income tax base. These are currently governed mainly in Article 17(15) and Article 17(29) of the Slovak Income Tax Act (hereinafter "SITA").

Under the current wording of Article 17(15) of the SITA the correction of errors of past accounting periods, if concerning the costs (expenses) treated as a tax expense or revenues (income) included in the taxable income, shall be included in the tax base of the tax period, to which they relate in terms of time and substance, regardless of whether they are posted as costs, revenues or to the account retained earnings. The taxpayer is therefore obliged to file the supplementary income tax return.

However, the taxpayer may proceed otherwise, i.e. the respective correction of errors in accounting can be included in the tax base of the tax period in which the correction of error in accounting was performed. This option is, however, applicable only if in the respective tax period the taxpayer, due to mistake, included in his accounting profit / loss higher revenues (income) or lower costs (expenses) than as provided under the Slovak Act on Accounting and as a result thereof, he reported higher tax base and paid higher tax. According to the Methodology Instruction, the quoted provision of Article 17(29) of SITA is applicable also in case the taxpayer generated a tax loss.

Since 1 January 2014, an additional condition for the application of procedure under Article 17(29) of the SITA must be met: the right to levy the tax according to Article 69 of the Tax Procedure Code cannot expire as regards the respective tax period.

https://www.financnasprava.sk/_img/pfsedit/Dokumenty_PFS/Profesionalna_zona/Dane/Metodicke_pokyny/Priame_dane/2014.06.26_MP_k_opr_chyb.pdf

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Subsistence (living) minimum

The Slovak Ministry of labour, social affairs and family used to issue as at 1 July of each year a statement increasing the amounts of living minimum applicable for the next year. The amount of the subsistence minimum impacts several items, such as the non-taxable amount on a taxpayer/spouse, the tax bonus deducted for a dependent child, but also many amounts which are not connected with taxes (such as family allowances, allowances on a child etc.).

However, this year the amounts of living minimums remain unchanged (EUR 198.09 for an adult). For tax purposes this means that, also from 1.1.2015, the non-taxable amounts remain in the same amount as for the year 2014 (EUR 3,803.33 per year).The amount of the child bonus for one dependent child remains applicable also from 1.7.2014 (EUR 21.41 per month).

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New judgment of the Court of Justice of the EU in the case of Granton Advertising

The Court of Justice of the EU issued on 12 June 2014 a judgment in the case of C-461/12 Granton Advertising regarding the sale of vouchers.

A Dutch company Granton Advertising issued and sold „Granton cards" to customers at a price of EUR 15 to EUR 25, which entitled their holder to a certain number of goods and services on preferential terms from retailers and businesses, such as restaurants, cinemas, hotels etc, which had concluded an agreement to that effect with Granton Advertising. The discount differed depending on the arrangements agreed between the affiliated business and Granton Advertising. The Granton card could be used during the period of its validity, often six months, could be used several times or even daily. The card could not, however, be exchanged for money or goods, it was not personal but transferable. Granton Advertising was responsible for the manufacture, production, promotion and sale of the Granton cards, it did not charge the affiliated businesses anything in respect of the Granton cards, nor did it receive any fees from those businesses. Granton Advertising considered the Granton cards as 'other securities' or 'other negotiable instruments' thus exempt from VAT.

The Court of Justice of the EU, however, ruled that:

- the fact that the affiliated business agrees to forego the part of the price of the goods/service constitutes a price discount,
- there is no sufficiently direct link between the amount paid by those consumers in order to obtain the Granton card and:
  - the goods or services which may be obtained by those consumers from the affiliated businesses – thus the amount cannot be considered as indirectly constituting a part of the consideration for those goods or services,
  - the amount of the reductions from the purchased goods or services – it depends on the use of the card thus is uncertain and practically impossible to determine in advance,
- the Granton card does not fall within the scope of 'other securities' nor 'other negotiable instruments', as it does not have the related characteristics, e.g. does not confer a property right over legal persons nor represents a debt, does not relate to the sphere of financial transactions (the card has no nominal value and it cannot be exchanged for money or goods), nor it represents a payment instrument,

as a result of which the sale of Granton cards is not VAT exempt.

As regards VAT treatment of various forms of vouchers, new rules within the EU are to be in place from 1 January 2015, based on which 'single-purpose vouchers' and 'multi-purpose vouchers' will be taxed differently, and there will be new rules as regards their cross-border sale.

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Guidance issued by the Slovak Financial Directorate regarding payments by customers of VAT from invoices issued by suppliers in relation to VAT joint and several liability

In July 2014, the Financial Directorate issued a Guidance in which it approved payments of output VAT (stated on the invoice issued by the supplier to the customer) to be made by customers directly to the Tax Authorities rather than to their supplier in case the supplier is included in the list of "unreliable VAT payers" published by the Financial Directorate. If the payment is done in line with the respective Decree to the "personal tax account" of the supplier at the tax authorities, the customer will not be jointly and severable liable for the respective VAT.

However, the Tax Authorities would only be allowed to reveal to the supplier the amount of VAT that has been paid as well as the names of the customers who made the payments, following the written consent of the customer/s.
On the other hand, the Tax Authorities will not be allowed to issue to the customers paying the VAT for their suppliers' confirmation of the payment of the VAT.

https://www.financnasprava.sk/_img/pfsedit/Dokumenty_PFS/Profesionalna_zona/Dane/Metodicke_usmernenia/Nepriame_dane/2014/2014_07_08_platba_dph.pdf

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Amendment to the Commercial Code under preparation

The amendment to the Act No. 513/1991 Coll. Commercial code as amended under preparation should bring a number of significant changes to our commercial law. It should apply from 1 January 2015 should the amendment be approved by the Parliament.

The most significant changes can be summarised as follows:

- The court will have the right to decide that an individual may not perform the function of a member of a statutory body or a supervisory body in any company or a cooperative, this will apply also to representatives of a branch and procurists (further only "excluded representatives"). In this connection a special registry of disqualifications will be introduced and if someone will act for an entity as an excluded representative, he will at the same time declare to the creditor that he will satisfy his receivables, if the respective entity will not fulfil its obligations, i.e. he will personally provide a guarantee for the liabilities of the respective entity.
- The term "company in crisis" will be introduced. A company will be in crisis if in bankruptcy or there will be a risk of bankruptcy. The risk of bankruptcy will be defined as a situation when the equity : debt ratio will not reach at a minimum 4 : 100 from 1 January 2015, 6 : 100 from 1 January 2016 and 8 : 100 from 1 January 2017. The statutory body will in such a case be obliged to do everything what a reasonably caring person in a similar situation in a similar position would do, especially without undue delay call a meeting of the highest body of the company, draft a proposal for measures for the avoidance of the crisis and submit it to the meeting of the highest body of the company. At the same time it must monitor the financial situation of the company and prepare extraordinary financial statements as at the end of each month. A loan or a similar payment will be considered as a payment substituting the own resources of the company e.g. if granted by a person having a direct or indirect share in the share capital of voting right of the company exceeding at minimum 20% of the share capital or voting rights, or by a silent shareholder with a contribution exceeding 20% of the share capital of the company.
- A limited liability company will be allowed to have a registered capital of EUR 1.
- A shareholder will be allowed to provide a loan to the company only if approved by the general meeting and if granted based on arm's length terms, however, it will not be possible to provide the loan in cash.
- A limited liability company, the registered capital of which will not reach the value of EUR 25,000, will be obliged to state on all business documents the value of its registered and paid up share capital. The abbreviations "ZI" for registered capital and "SP" for the paid up capital will be possible. If the company will not comply with this requirement, the person acting on behalf of the company will declare that he will settle the receivable of the creditor if the company will not fulfil its obligations. At the same time, if the equity of such a company determined by the latest approved ordinary financial statements was or would be lower than 5,000 together with the reserve fund and other funds not distributable to the shareholders, the company will not be allowed to distribute dividends or other own funds to the shareholders. The number of shareholders will in the case of these companies be limited to three shareholders.

If a limited liability company will be established prior to 1 January 2015 and the application for the registration of the company will be submitted to 31 March 2015 to the Company register, the rights and obligations of its constitutors at the establishment and registration of this company will be subject to the rules effective to 31 December 2014. The same rules will apply to the maximum number of shareholders.

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Amendment to the VAT Act

On 25 July 2014, the President of the Slovak Republic signed an Amendment to the Slovak VAT Act approved by the Slovak Parliament on 8 July 2014. We informed you of the draft amendment to the VAT Act, as well as of the indirect amendments to the Tax Procedure Code, Act on the use of Electronic Cash Registers and Acts on Excise duties on alcoholic beverages and on tobacco products in the April and the July issue of our Tax and Legal News.

Below we would like to draw your attention to some of the provisions of the amended legislation, which were subject to changes within the legislative process:

- With the aim of improving the business environment, the time-period for registration of a domestic taxable person as a VAT payer will be shortened from 30 days to 21 days with effect from 1 January 2015. According to the transitional provisions to the mentioned change, the time-limit valid until 31 December 2014 (i.e. the time-period of 30 days) will be applied to all the applications for VAT registration filed until 31 December 2014.
- The standard VAT rate will be changed to 20% from 1 January 2015. Based on the adopted amendment to the respective provisions of the Slovak VAT Act, the 20% VAT rate will not be reduced back to 19% after the decrease of deficit of the general government below 3%, i.e. the applicable VAT rate remains preserved at 20%.
- If an excess deduction was repaid within the accelerated VAT refund procedure on the basis of untrue data, the tax authorities would, according to the current wording of the VAT Act, levy a penalty in the amount of 1,3 % of the repaid excess deduction. With the aim of preventing an inadequate rigidness in applying the mentioned penalty, the tax authorities will become entitled to take into account the extent of violation of the law and levy a penalty also in an amount lower than 1,3 % of the amount of the repaid excess deduction. This change will come into force as of 1 January 2015.
- The entry into force of the new provisions governing a refund of a scrutinized portion of excess deduction before the completion of the tax audit based on the so-called “partial protocol” was postponed from the originally proposed 1 January 2015 to 1 July 2015.
- Effective from 1 January 2015, the deadline for filing the VAT Ledger Statement will be 25 days of the end of the respective tax period, without being bound to the date of the VAT return filing.

Other amendments to the Act on the use of electronic cash registers

- Electronic cash registers must, with effect from 1 January 2015, provide for an on-line connection to systems of the Slovak financial authorities. Further conditions of such a connection will be regulated by a public notice to be issued by the Slovak Ministry of Finance. The related transitional provisions govern launching new electronic cash registers by their producers, importers or distributors after 1 January 2015, the possibility of continuing to use the current cash registers in operation, their potential exchange, as well as conditions related to the obligation to use an electronic cash register from 1 January 2015.
- Penalty-related regulations will contain a new provision from 1 October 2014, according to which the tax authorities or customs authorities, if not levying a penalty based on an on-site decision, will follow the relevant provisions of the Tax Procedure Code.
- A motion for revoking a trade license will be applied with effect from 1 October 2014 only under the condition that the tax or customs authorities would reliably prove that the collected revenues were reduced as a consequence of non-compliance with law.
- According to the amendment to become effective as of 1 October 2014, the tax or customs authorities would file a motion for revoking a trade license due to violation of the ban to sell goods or render service at a point of sale only after identifying the point of sale as banned from such sales.

Other amendments to the Tax Procedure Code

- In terms of the amendment to the Tax Procedure Code effective from 1 January 2015, the Ministry of Finance of the Slovak Republic should, based on the data collected from the public section of the Register of financial statements, publish in its web portal a list of tax entities together with the amount of their tax liability. The list should be organized based on the amount of tax liability in descending order.
- The entry into force of the provisions on electronic communication on the part of the tax authorities will be postponed from 1 January 2015 to 1 January 2016.
- According to the current wording of the Tax Procedure Code, a representative may represent only one tax entity in relation to the same tax authority, with the exception of close persons. This does not apply if the representative is a tax advisor, attorney, if he is a common representative or a representative for delivery of correspondence. The aforementioned provision will be deleted from the Tax Procedure Code with effect from 1 January 2015.

Other amendments to the Excise duties Acts

- Ordering tax stamps for tobacco products and alcohol will be made via a so-called “electronic system of tax stamps”, to become accessible to authorized persons via the web portal of the Slovak financial authorities.
- A limit is determined for tax stamps which were irretrievably destroyed in a technological device used to apply such tax stamps to a consumer pack of tobacco products. The amendment also specifies the computation of the respective limit.
- The amendments to the Acts on Excise duty on alcoholic beverages and on tobacco products will enter into force on 1 October 2014, with certain provisions effective on 1 January 2015.

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The amendments to the Acts on Excise duty on alcoholic beverages and on tobacco products will enter into force on 1 October 2014, with certain provisions effective on 1 January 2015.

The amendment to the VAT Act becomes valid on the day of its publication in the Collection of Laws.

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In one sentence …

- The Financial directorate of the Slovak republic issued methodical guidance with respect to article 104 (f (1)), the transitional provision to the amendment effective from 1 December 2012 of the Act no. 582/2004 Coll. on municipal taxes and municipal duty on waste as amended. The guidance covers filing of the tax return, supplementary tax return and assessment of tax.

https://www.financnasprava.sk/_img/pfsedit/Dokumenty_PFS/Profesionalna_zona/Dane/Metodicke_usmernenia/Miestne_dane/2014_06_23_MU_par104f_ods_1.pdf

- The Slovak Financial Directorate issued in June 2014 a Methodology Instruction related to the taxation of prizes and winnings received by an individual from 1 January 2014. Based on the amended Slovak Income Tax Act, prices and awards with a value exceeding EUR 350 can be partially exempt from personal income tax. In such case solely the part of the amount exceeding EUR 350 is considered as taxable. As of 1 March 2014, monetary prizes paid to the taxpayer seated in a non-contractual country are subject to withholding tax at a rate of 35 per cent.

https://www.financnasprava.sk/_img/pfsedit/Dokumenty_PFS/Profesionalna_zona/Dane/Metodicke_pokyny/Priame_dane/2014.06.26_MP_k_zdan_cien_a_vyh.pdf

- The Slovak Ministry of Finance issued a draft decree governing the scope of tax legislation to which a binding ruling could be issued. According to the draft, in the case of income tax a binding ruling can be issued on questions related to the source of income of Slovak tax non-residents or questions related to sale and purchase of a business or a part of a business performed at fair values. Questions related to value added tax (VAT) that can be subject to a binding ruling may include issues related to the arising of a VAT liability, tax rates for the delivery of goods and persons liable to pay tax according to Article 69(12) of the Slovak VAT Act. The decree should be effective as of 1 September 2014.

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