



# ACCOUNTING ADVISORY SERVICES

KPMG na Slovensku / December 2013

## NEWSLETTER – Amendment to the Decree of the Slovak Finance Ministry on Financial Statements of Entrepreneurs

Based on Decree of the Slovak Finance Ministry No. 17920/2013-74 of 20 November 2013, Decree of the Slovak Finance Ministry No. 4455/2003-92 on Financial Statements for Entrepreneurs has been amended. Here are certain changes that entered into force as of 31 December 2013 and therefore need to be reflected in the **financial statements** as of 31 December 2013.

Description	Previous legislation	New legislation	Substance of change
Information on payments and benefits to members of an accounting entity's bodies presented in the notes to financial statements	<p>Appendix No. 3 (M):</p> <p>The part regarding payments and benefits to members of statutory bodies, supervisory bodies, and other bodies of the accounting entity shall contain the following information:</p> <p>a) the amount of payments and benefits to members of the accounting entity's bodies during the current accounting period; this information must be specifically stated with respect to each body;</p> <p>b) the amount of advance payments and advance benefits, and the total of loans, including previous payments and benefits, as well as information on guarantees issued by the accounting entity with respect to liabilities of members of the individual bodies; this information must be specifically stated with respect to each body;</p> <p>c) information according to (a) and (b) with respect to former</p>	<p>Appendix No. 3 (M):</p> <p>The part regarding payments and benefits to members of the accounting entity's statutory body, supervisory body, and other body shall contain the following information:</p> <p>a) the amount of approved remuneration for the performance of members of the accounting entity's statutory body, supervisory body, and other body for the accounting period, including income resulting from pension schemes for former members of these bodies, classified according to the individual bodies;</p> <p>b) the amount of individual types of guarantees or other collateral issued to members of the accounting entity's statutory body, supervisory body, and other body, classified according to the individual bodies;</p> <p>c) loans provided to members of the accounting entity's statutory body, supervisory body, and other body, namely:</p> <ol style="list-style-type: none"> <li>1. the total amount of loans provided as of the last day of the accounting period, classified according to the individual bodies;</li> <li>2. the total amount of loans repaid as of the last day of the accounting period, classified according to the individual bodies;</li> <li>3. the total amount of loans waived and written off as of the last day of the accounting period, classified according to the individual bodies;</li> </ol> <p>d) the main conditions based on which guarantees or other collateral</p>	<p>The change applies to the content of this information, for example, according to (a), only remuneration related to their performance in office is required.</p> <p>Information according to (a) does not have to, but may (= optional), be stated by <b>small</b> accounting entities (the definition of small accounting entities is provided below). Other information must be presented.</p>



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	members of these bodies, if payments are still provided or a benefit continues to apply.	were issued and loans were provided to them; information on loans shall include interest rates; e) the total amount of financial resources or other payments used for private purposes and claimed by members of the accounting entity's statutory body, supervisory body, and other body.	
Information on payments and benefits to members of an accounting entity's bodies presented in the notes to financial statements	It was <b>mandatory</b> to present this information in the notes to financial statements, with no exception.	Article 3 (5) of the Decree: Information according to Appendix No. 3 (M) (a) shall <b>not be presented</b> in the notes to financial statements if such information were to allow the <b>identification of the financial situation of a specific</b> member of the accounting entity's statutory body, supervisory body, or other body.	This <b>only</b> concerns <b>information</b> according to (a), and no other information.  The change is that this information <b>should not be presented</b> if it were to allow a specific member of a body to be identified.
Definition of small accounting entities	Small accounting entities were not defined.	Article 3 (4) of the Decree: Small accounting entities <b>do not include</b> accounting entities that met at least two of the following conditions as of the balance sheet date and for the preceding accounting period: - their total (gross) assets exceeded 4,000,000 euros; - their net turnover exceeded 8,000,000 euros, - their average number of employees exceeded 50 during one accounting period.	This is a new class of accounting entities based on the new accounting regulation No. 2013/34/EU. It refers to them as "small."  The term "small" is not used in the Decree; no special term is used to refer to these accounting entities.
Simplifications for small accounting entities (omitting certain information in the notes to financial statements)	No simplifications.	Article 3 (4) of the Decree: Small accounting entities <b>do not have to</b> present the following information in the notes to financial statements: - information on income of statutory, supervisory and other bodies (according to Appendix No. 3 (M) (a)); - information on related parties (according to Appendix No. 3 (N))  These simplifications <b>do not apply</b> to accounting entities that issued securities that were permitted to be traded on a regulated market of an EU member state or in a state that is a party to the Agreement creating the European Economic Area.	The change is that it is <b>possible</b> not to present this information in the notes to financial statements.
Information on members of an accounting entity's bodies and partners	Appendix No. 3 (B): Notes to the financial statements shall also contain the following information on members of the statutory bodies, supervisory bodies, and other bodies of the accounting entity: - the names and surnames of	Appendix No. 3 (B) has been repealed.	This information is no longer required.



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	<p>members of the statutory bodies and supervisory bodies, and the names and surnames or the legal names and designations of other bodies of the accounting entity;</p> <ul style="list-style-type: none"> <li>- the structure of partners and shareholders, including the value and percentage of their participation in the accounting entity's share capital, their share of the voting rights, and the percentage of their participation in other equity items if it is different from their participation in share capital.</li> </ul>		
<b>Signatures on the title page</b>	<p>The title pages of the balance sheet, income statement, and notes to financial statements <b>had to be signed by</b>:</p> <ul style="list-style-type: none"> <li>- the statutory body,</li> <li>- the person responsible for bookkeeping,</li> <li>- the person responsible for the preparation of the financial statements.</li> </ul>	<p>Explanatory notes regarding the title pages of the balance sheet, income statement, and notes to financial statements:</p> <ul style="list-style-type: none"> <li>- the signatures of the person responsible for bookkeeping and the person responsible for the preparation of the financial statements are <b>optional</b>.</li> </ul>	<p>It continues to apply that financial statements (the title pages of the balance sheet, income statement, and notes to the financial statements) <b>must</b> be signed by the statutory body.</p> <p>The person responsible for bookkeeping and the person responsible for the preparation of the financial statements <b>do not have to, but may</b>, sign the financial statements.</p>
<b>Information on corrections of material errors and immaterial errors in financial statements</b>	<p>This information has not been explicitly required up until now.</p>	<p>Appendix No. 3 (E) (f): The part regarding the applied accounting principles and accounting policies shall contain information on the following:</p> <ul style="list-style-type: none"> <li>- corrections of <b>material</b> errors of previous accounting periods accounted for in the current accounting period, including the amount of their impact on retained earnings from previous years or accumulated losses from previous years;</li> <li>- at the same time, the accounting entity <b>may</b> also present information on corrections of <b>immaterial</b> errors of previous accounting periods accounted for in the current accounting period, including the amount of their impact on net/profit loss of the current accounting period.</li> </ul>	<p>The change is that it is explicitly required to present information on corrections of <b>material</b> errors.</p> <p>Information on corrections of <b>immaterial</b> errors may, but does not have to, be presented.</p>
<b>Information on</b>	Appendix No. 3 (N):	Appendix No. 3 (N):	It is required to only present information on



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transactions with related parties	The part regarding economic relationships between the accounting entity and related parties shall contain the following information: a) the list of transactions carried out between the accounting entity and related parties ...	The part regarding economic relationships between the accounting entity and related parties shall contain the following information: a) the list of transactions <b>that have not been concluded under normal market conditions</b> , which have been carried out between the accounting entity and related parties ...	transactions with related parties that <b>have not been concluded</b> under normal market conditions.  Of course, transactions that <b>have been concluded</b> under normal market conditions <b>may, but do not have to</b> (= optional), be presented.
Changes in tables			Changes have been made in some tables of the Appendix No. 3a, some tables have been left out.

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