



HIGHLIGHTS

What is new in the Slovak legislation?

- New **e-VAT evidence** form from July 1, 2023
- Income from corporate bonds paid to SK non-residents **will not be subject to tax**
- Important news in **personal income taxation**
- EU framework agreement for **cross-border teleworkers**
- Unification of the limit for cash payment to **TEUR 15** from July 2023
- **Increase** of the basic **compensation** for use of private motor vehicle during a **business trip**

Provisions currently in discussion

- Re-increasing of **meal allowance** in 2023
- More favourable exemptions of income from the **sale of real estate**

VALUE ADDED TAX

New e-VAT evidence form from July 1, 2023

The new version of the e-VAT evidence (“KVDPhv23”) will be used for the first time when preparing the VAT for **July 2023** in August 2023.

The new form was created due to the introduction of a **reduced tax rate of 5%** for the supply, renovation or reconstruction of a building, which meets special conditions for the construction of state-supported rental housing with a regulated rent and a guarantee of long-term housing.

INCOME TAX

Income from bonds of non-residents - not subject to tax again

As of **April 18, 2023**, **taxation of commercial corporate bonds** issued by Slovak issuers on domestic and foreign markets **was abolished**. From that date, the income of non-residents derived from corporate bonds from sources in the territory of the Slovak Republic will **not be taxable in Slovakia**, as it was until December 31, 2022.

If a non-resident has had withheld any tax from income from corporate bonds based on the applicable legislation from January 1, 2023 until April 17, 2023, in accordance with the transitional provisions, the taxpayer may decide to consider this tax as an advance payment and subsequently submit tax return for the year 2023.

New exemptions for individuals from January 1, 2024

Income from share certificates obtained from their payment (return) - “redemption of share certificates” - exemption from income tax after 3 years from their issuance (except share certificates included in the business assets).

Selected securities not admitted to the trading on regulated market - exemption of income from the sale after 3 years from their acquisition (except securities included in the business assets).

Profit from the sale of shares in the limited liability company - exemption if shares were acquired after December 31, 2023 and were held at least 3 years.

Income from transactions in which an individual exchanges (purchases) assets, goods or services **for virtual currency** (i.e. crypto assets), up to a total amount of **EUR 2 400** per year (after deduction of expenses).

EU REGULATION NEWS

New social security agreement for cross-border teleworkers

The multilateral framework agreement applies from **July 1, 2023** and currently was signed by 17 member states and Switzerland.

The agreement defines the **details and conditions** under which employees working in a country other than country in which their employer is established can be included **in the social security system of the employer’s country**.

The agreement extends the previous time limit of 25% on **telework from home country** to a **new limit of 49,99%**.

This framework defines various exceptions and applies only if several conditions are met, such as:

- the employee is employed in another member state where habitually works and teleworks in the **member state of residence** (time limit 25% - 49,99%),
- both member states have signed the agreement,
- an **A1 certificate** is mandatory, and other.

This requires an **agreement between the employer and employee** which can last for up to **3 years** with possible extension.

The application can also be submitted for a **retrospective period** according to the conditions defined by the agreement.

Please note that as there are various exceptions, each case needs to be analysed separately.

OTHER LEGISLATIVE CHANGES

Change of limit for cash payments from July 1, 2023

According to the amendment of the Act no. 349/2012 on limitation of cash payments Coll. as amended, the payments in cash **exceeding EUR 15 000** are prohibited. This change means the unification for business (individuals – entrepreneurs, legal entities) **with effect from July 1, 2023**.

Please note that the Act on limitation of cash payments **does not apply in an emergency situation**. Currently, according to Art. 8 of the Act on Civil Protection of the Population as amended, two emergency situations are declared in Slovakia (covid-19 and influx of foreigners due to the armed conflict in Ukraine).

Increase of the basic compensation for use of private motor vehicle during business trip

On the basis of the measure of the Slovak Ministry of Labour, Social Affairs and Family, the basic compensation for use of private motor vehicle during business trip is increased from July 1, 2023 as follows:

- one-wheeled vehicles and tricycles – from EUR 0,067/km to **EUR 0,071/km**
- personal motor vehicles – from EUR 0,239/km to **EUR 0,252/km**.

Not NEW, but GOOD to be REMINDED of:



Correction of deducted VAT in case of unpaid liabilities

With effect from January 1, 2023, the customer is obliged to return the deducted VAT for **unpaid domestic deliveries** (VAT applied based on Art. 69/1 SK VATA) if **100 days** have passed since the due date of the liability (Art. 53b SK VATA).

FOR MORE INFORMATION CONTACT US

office.bratislava@fal-con.eu



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