

Indirect Tax Alert

Latest VAT, Customs Duties
and Excise Taxes News

Issue 8/2011
7 November



pwc

Contacts:

Todd Bradshaw
Country Managing Partner
todd.bradshaw@sk.pwc.com
+421 (0)2 59350 600

Eva Fričová
Senior manager
eva.fricova@sk.pwc.com
+421 (0)2 59350 613

Dana Ferenčíková
Manager
dana.ferencikova@sk.pwc.com
+421 (0)2 59350 621

Announcement for companies and entrepreneurs about obligation to use electronic registration cash desks.

Companies and entrepreneurs (“entities”), which record received income in cash in an electronic cash desk based on the Regulation of Ministry of finance No. 55/1994 Coll. as amended (further “Regulation”), may follow this regulation until 31.12.2011 at the latest.

As of 1 January 2012, entities which are obliged to use an electronic registration cash desk (further only “cash desk”), will have to fulfill conditions of Act No. 289/2008 Coll. on using an electronic registration cash desk (further only the “ERC Act”).

An important change is that an invoice payment in cash is considered a cash payment. Therefore, based on the ERC Act, entities have to register this income in the cash desk contrary to Regulation which does not state such an obligation.

The ERC Act states new technical conditions for cash desks, which also have to be fulfilled by cash desk certified operatives based on the Regulation.

Furthermore, the amendment to the ERC Act of 14 September 2011 amends the list of services for which payment needs to be registered in cash desks.

Contacts:

Lenka Kollárová

Senior Consultant
lenka.kollarova@sk.pwc.com
+421 (0)2 59350 648

Eva Bezeková

Consultant
eva.bezekova@sk.pwc.com
+421 (0)2 59350 709

New VAT return form effective from 1 January 2012

The new VAT return form will reflect the amendments to the Value Added Tax Act No.: 222/2004 that will be effective from 1 January 2012. The changes will involve the deletion of lines of advance payments of tax on the sale of goods at market places, and also the line for reporting the correction of tax and the tax base and a line for reporting of repair tax deductions will be added. The new VAT return form will be firstly used for filing VAT returns for January 2012 or the 1Q 2012 VAT period.

Amendment of the VAT Act

Further to the Concept of Battle against VAT Fraud (“Concept”) which was approved in May 2011, the Slovak government submits for discussion the Amendment of VAT Act and amendment of Act on tax procedure (“Amendments”) implementing the provisions of Concept. The aim of the Amendments is to agree on provisions, which will effectively reduce VAT fraudulent activities and their further spreading.

The Amendment contains these important provisions from a VAT point of view:

- An obligation to pay a cash deposit for persons who applied for voluntary VAT registration, and also for those who own or manage a company currently (or who had previously) and those companies that have or had tax underpayments;
- An enhancement of the Tax Authority competences for cancelling VAT registration in legitimate cases with the purpose of excluding from the VAT system any high risk persons who abuse the VAT system with unjustified VAT refunds;
- An extension of the domestic reverse charge mechanism mainly for the supply of immovable and building lands including the forced sale of immovable (execution proceedings and bankruptcy proceedings) and for sale of goods in the matter of execution of a lien and execution of a security cession of property rights;
- The specification of the period for which the foreign person is obliged to pay or claim VAT retroactively in the case of late VAT registration. This period begins on the day when the foreign person realised the first taxable domestic transaction from which the VAT liability would arise, if this foreign person was registered for VAT;
- Introducing the automatic VAT registration (given by law) for domestic taxable persons, who would supply the building or building land if, by its sale or by acquiring an advance payment, they reach a turnover of EUR 49,790;
- An obligation to keep and deliver (electronically) to the tax authorities the evidence of used motor vehicles from other member states of the EU, purchased from taxable persons registered for VAT in other member states of the EU;
- A proposal to accept a receipt from ERCM as an alternative to an invoice, only if the total price of goods or services charged on the bill (VAT included) does not exceed EUR 1,600 if paid by debit/credit card or other monetary instruments, and in the case of cash payment, only up to EUR 200.

Current affairs in PwC

Planned tax seminars

Registration will be available via www.pwc.com/sk/seminar three week before a seminar.

Tax Administration Act:

8 November in cooperation with the German Chamber of Commerce.
15 November in cooperation with the AmCham.

Tax payers in active defense:

22 November in cooperation with the Austrian Chamber of Commerce.

'In which country taxes should be paid and in which social security contributions?':

29 November, PwC seminar.

PwC Legal enters the Slovak market

New law firm PwC Legal, with offices in Bratislava and Košice has entered the Slovak market

PwC Legal is a commercial transactions and project law firm, which offers a full range of legal services to all major industries. At the same time, a new legal firm PwC Legal has been announced in the Czech Republic. In addition to Slovakia and the Czech Republic, the PwC Legal network serves clients globally in more than 75 countries worldwide. For more about PwC Legal, please visit www.pwclegal.sk.

HR Pulse: Firms are adjusting their benefit systems

Most frequently this relates to contributions to sporting and cultural events

HR Pulse was a series of surveys performed by PwC's HRC practice in cooperation with Profit business magazine. Our aim was to assess how HR managers of businesses in Slovakia view current developments in HR management.

The first survey that we performed in September 2011 was focused on "HR Pulse: How the amendment to the Income Tax Law changed your approach to the staff benefit policy?" We sought to identify the changes that occurred within Slovak firms due to the amendment of the Income Tax Law, as it affects taxation of both the financial and non-financial benefits that firms offer to their staff. What were our main findings? Please refer to www.pwc.com/sk/hr-pulse

PwC reports FY2011 global revenues of US\$29.2 billion

Double digit rise in revenues. Strongest growth for three years. Plans to recruit 20,000 graduates in FY2012

PwC, the world's leading professional services network, reported gross revenues of US\$29.2 billion for its worldwide network of firms for the fiscal year ended 30 June 2011, an increase of 10% over FY2010, and the strongest growth in revenues that the network has seen since 2008. At constant exchange rates, PwC's FY2011 network revenues rose by 8%.

While increasing revenues, PwC has also continued to recruit key talent, increasing overall headcount to nearly 169,000. This focus on attracting the best people to PwC will continue in the year ahead with plans to recruit and train a record number of 20,000 graduates across the world in FY2012. In addition PwC will offer training internships to 10,000 students to introduce them to professional services. See www.pwc.com for more information.