



Information for clients

Slovakia
April 9th, 2020

COVID-19: Special financial measures

On April 2, 2020, the National Council of the Slovak Republic passed the law on special financial measures in connection with the spread of COVID-19.

Financial support to maintain operations in small and medium-sized companies

Financial support will be provided by the Ministry of Finance of the Slovak Republic through **Export-Import Bank of the Slovak Republic** and the **Slovak Guarantee and Development Bank** (hereinafter referred to as "bank") to small and medium-sized enterprises. These are enterprises with less than 250 employees and an annual turnover of up to EUR 50 million and/or annual balance sheet total of up to EUR 43 million.

Financial support can take the following forms:

1. Guarantees for a loan granted by the bank

The conditions are that the enterprise:

- is not an employment intermediary, nor a temporary work agency
- has no overdue liabilities to the social security and health insurance institution for more than 180 days
- is not in an insolvency or restructuring process

2. Payment of interest on the loan granted by the bank (so-called interest bonus)

Interest bonuses can be granted to an enterprise which:

- preserves existing jobs as set in the loan contract and
- at the end of the period specified in the loan contract, it has no overdue liabilities towards the social security and health insurance institution beyond the amount specified in the loan contract.

Further details, conditions and procedures for granting financial support are to be determined by the Ministry of Finance of the Slovak Republic.

Income tax measures

The deadline for filing income tax returns extends **until the end of the calendar month following the end of the pandemic**. All tax arrears resulting from the tax return submitted must also be paid within this new period. This applies to those taxpayers for whom the deadline for filing the tax return expires during the pandemic.

This new deadline also applies to those taxpayers who have informed the tax administrator about the extension of the deadline for filing the tax

return and for whom the deadline for filing the tax return, as stated in this notice, expires during the pandemic. For example, if a taxpayer has requested an extension of the deadline for filing a tax return until June 30, 2020 and the pandemic ends in June 2020, that taxpayer will also be allowed to file the tax return until July 31, 2020.

In the tax return submitted within this new period, the taxpayer can also transfer the share of the tax paid to a self-selected organization. Employees can decide on transfer of their 2% of paid tax by the end of the second calendar month after the pandemic ends.

Due to the declaration of a pandemic, the deadline for filing a tax reconciliation of wage tax for 2019 will also be extended for employers **until the end of the second calendar month after the end of the pandemic.**

Accounting measures

According to the Accounting Act, companies have different responsibilities, e.g. the preparation of financial statements and annual reports, the audit of the financial statements by an auditor and the filing of the requested documents in the register of financial statements. The deadlines that a company faces during a pandemic period are extended **until the end of the third calendar month after the end of the pandemic period.** If a company fulfils all of its obligations within this extended period, it will not be fined.

Tax administration measures

If a taxpayer does not take any action during the pandemic period (e.g. filing documents with the tax administrator, filing an appeal) within the deadline required by law or by the tax administrator, the taxpayer will be forgiven for missing that deadline. The prerequisite is that he carries out this action at the latest at the end of the

calendar month after the end of the pandemic. Taxpayers are not required to make specific requests for default.

The waiver of the deadline does not apply to the filing of tax returns and the payment of individual taxes.

During the pandemic, all official mail items will be delivered in accordance with the current conditions of Slovak postal delivery. For example, mail items directed into the recipients' hands are currently not delivered but stored at the postal office. If the individual or legal person does not pick up the shipment, the fiction of the delivery takes place on the last day of the storage period.

At the taxpayer's request, the deadline for performing a tax audit that began before the start of the pandemic period may be interrupted. If the tax audit begins during the pandemic period, the period for its execution will be interrupted from the day following the day when it begins.

If the VAT refund is being audited during the pandemic, the tax administrator can issue a partial report. In the current difficult economic situation, the VAT refund or part thereof to which the tax administrator has no objections can be returned to the taxpayer.

Tax proceedings initiated before the start of the pandemic can also be suspended at the taxpayer's request. If the tax process begins during the pandemic, it will automatically be suspended from the day following the day when it begins.

However, this does not apply to tax proceedings in which the reimbursement of tax refunds is decided.

During the pandemic, the Slovak Republic's tax authorities will not update the list of taxpayers with arrears that they otherwise regularly publish on their website.

During the period of the pandemic, the time limits for the expiry of the right to levy a tax, the limitation period of the right to recover the tax arrears and the expiry of the right to recover the tax arrears shall be interrupted.

Tax amounts due within the pandemic period and paid by the taxpayer **until the end of the calendar month after the end of the pandemic** are not considered tax arrears.

This means that if, for example, the taxpayer does not pay wage tax or withholding tax in time during the pandemic, but it pays until the end of the following calendar month after the end of the pandemic, he will be considered as not having these tax arrears. The taxpayer will not be charged interest on arrears. Please note, however, that tax within the meaning of the Tax Code is not an advance payment. We are currently examining the possibility of deferred payment of VAT.

The tax execution is postponed.

All approved measures apply **from March 12, 2020**, when the Government of the Slovak Republic declared an emergency, **until the end of the calendar month**, in which the Government of the Slovak Republic will revoke it.

Feel free to contact us if you have any questions.

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on the Slovak market.*

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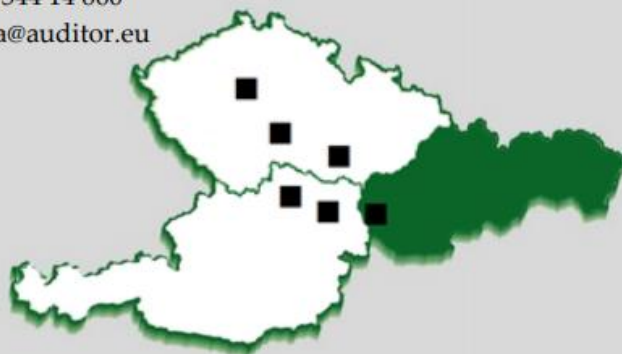
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