



Daňovky

**Tax and Legal
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In brief

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Finance

**Tax and Legal News |
March 2025**

Frequently asked questions on Financial Transaction Tax

From 1 April 2025, a new financial transaction tax will be introduced in Slovakia, which will have a significant impact on the business environment. The new measures have raised a number of questions, especially from foreign companies that need to prepare for the new obligations.



Daňové a právne oddelenie

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What questions do our tax advisors receive from entrepreneurs interested in the current topic of transaction tax? Based on our experience and the latest information, we have summarized the answers to the three most common questions our experts encounter when consulting with foreign companies. The answers are based on currently available information and the forthcoming methodological guidance. Please note that the interpretation of the provisions continues to evolve very dynamically and it is therefore necessary to regularly monitor changes in legislation.

When does a foreign company pay financial transaction tax?

Simply put, a foreign company pays tax on financial transactions if it has a payment account with a local payment service provider or carries on business in the country. In that case, its financial transactions carried out on the account abroad and related to the activity carried out in Slovakia are subject to tax.

How should we understand the expression "activity in Slovakia"?

The Ministry of Finance has taken inspiration from the definition of a permanent establishment in Section 16 (2) of the Income Tax Act and added digital platform, online marketplace and insurance risks in interpreting this term. Thus, if a foreign entity has a warehouse in Slovakia, it carries on business in Slovakia. It is important to note that even if a permanent establishment does not arise (usually because of the exceptions in Article 5 of the double taxation treaty), the foreign company will still be liable to pay financial transaction tax.

What is a recharge of costs?

Recharges of costs most often occur when a Slovak company enters into a contract with a third party (usually foreign) and asks it to remit funds or make payments to other entities (usually suppliers of the Slovak company) on its behalf. Such a payment is treated as a recharged expense and will be taxable at a **rate 0.4 %** of the tax base, with a maximum tax of **EUR 40** if the taxpayer can identify the individual payments made by the third party. If he cannot identify them, tax is payable on the entire amount of the expense, without applying the maximum amount of tax per transaction. In this case, the tax levied by the bank on the payment to the third party may be deducted from the tax on the costs recharged.

The legislation still contains uncertainties, but we already know that the administrative burden on entrepreneurs will increase. Do not hesitate to contact us, as experienced tax advisors we will help you to minimize the impact, set up the right

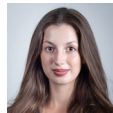
processes and prepare for the new obligations.

The new construction act simplifies the process of construction permits

The new construction regulations, which will come into force on 1 April 2025, bring comprehensive changes in the field of construction law in Slovakia. They will replace the currently valid and effective Construction Act, as well as the current Act on Construction with deferred effect.



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The new regulation is designed to simplify and speed up construction processes, reduce the administrative complexity of permitting procedures and increase transparency in the construction industry, and strengthen the rights and position of land and building owners, and change the position of individual participants in the construction process.

The main stages of the process of permitting construction work include:

The process of discussing the construction plan

The process of permitting construction works will be preceded by a separate procedure for discussing the construction plan. The subject of this procedure is to obtain binding opinions from the spatial planning authority, the authorities concerned, legal entities. The procedure is initiated at the request of the builder or a designer commissioned by him.

New statutory deadlines for issuing binding opinions: The new legislation introduces statutory deadlines for issuing binding opinions, namely a general statutory deadline of 30 days from receipt of the request, or 60 days in the case of complex cases. In the event that the competent authority fails to issue a binding opinion within the set statutory deadline, it is assumed that the competent authority does not have comments or requirements for the content of the construction plan.

A similar process is applied to obtain binding opinions on the construction project.

Procedure on the construction plan

The current zoning and construction procedure is replaced by a construction plan procedure consisting of two stages, namely the construction plan procedure and the construction project verification process. The new legislation also allows for the merging of these two proceedings into one procedure on the construction plan, within which the construction project will be verified at the same time.

The aim is to simplify and speed up the approval process, which should reduce the administrative burden for builders and investors.

Statutory deadlines for issuing a decision on a construction plan: The decision on the construction plan itself must be issued within

- **30 days** (in cases where a decision can be made without an oral hearing or on-site inspection),
- **60 days** in other cases, or

- **90 days** in the case of reserved constructions, linear constructions, constructions with a large number of parties to the proceedings, or if it is necessary to obtain an expert opinion.

In addition to introducing statutory deadlines for issuing the decision on the construction project itself, the law also introduces statutory deadlines for individual procedural acts (e.g. **15-day** statutory deadline for reviewing the complexity of the submission, **7-day** statutory deadline for initiating proceedings, etc.).

Verification of the construction project

Construction work can only be carried out on the basis of a verified construction project. The basis for its verification is the construction design and the compliance clause issued by the relevant authorities, which reserved the assessment of the construction project in a binding opinion on the construction plan and applied the requirements for the completion of the construction project.

Statutory deadline for verification of the construction project: The period for verification of the construction project is 30 days. If the subject of the construction plan proceedings was also a construction project, the building authority will verify the construction project together with the issuance of a decision on the construction plan. This procedure can only be applied if there is no requirement to complete the construction project within the construction plan procedure.

New construction legislation in practice

The new construction reform aims to simplify and shorten the process of approving construction works without requiring significant changes to the existing infrastructure. These measures are expected to contribute to the development of the construction sector in Slovakia.

Agreement on Compromise Text DAC9

The ECOFIN Council approved the framework of the DAC9 directive for the exchange of information in the Pillar Two.



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On March 11, 2025, the ECOFIN Council reached a political agreement on the **DAC9** text, which establishes a framework for the exchange of information in the Pillar Two among EU member states. This compromise text introduces changes compared to the proposal from October 2024, including the latest **Globe Information Return** (GIR) template from the OECD dated January 2025.

The text stipulates that updates on supplementary tax information will be implemented through a new Council directive. The Council and the European Commission agreed on a declaration ensuring a swift adjustment of the directive in line with international developments.

After legal reviews, the Council can formally adopt the directive, which will come into effect upon publication in the Official Journal of the EU. Member states must transpose the directive into national law by **December 31, 2025**. It will be applied starting **January 1, 2026**, with the first exchange of information occurring within six months of the initial submission of supplementary tax information, no later than **December 31, 2026**.

For more detailed information, you can read the [Euro Tax Flash](#) prepared by our colleagues at the KPMG EU Tax Centre.

Do not forget to file the income tax returns

The filing deadline for income tax returns for 2024 and paying the respective tax is Monday, 31 March 2025.



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If your tax return for 2024 was not drafted yet, you may extend the statutory filing deadline up to three calendar months (to 30 June 2025) by filing an announcement on the filing extension with the Tax Authorities by 31 March 2025, or up to six calendar months (to 30 September 2025) if you declare foreign sourced income and you are a Slovak tax resident.

One sentence summary | March 2025

Last month's tax and legal news in brief.



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From Slovakia:

- As of April 1, 2025, according to [the Notice](#) of the Slovak Ministry of Labor, Social Affairs, and Family No. 39/2025 Coll., **the amounts for meal allowances for domestic business trips will increase** to **EUR 8.80** (time zone 5 to 12 hours), **EUR 13.10** (time zone 12-18 hours), and **EUR 19.50** (time zone over 18 hours).
- The Ministry of Finance of the Slovak Republic has published a [list of account numbers and prefixes](#) to which taxpayers direct payment orders that are not subject to the financial transaction tax, according to Act No. 279/2024 Coll. on the Financial Transaction Tax, as amended.
- The Financial Administration informs about the launch of a project to create an environment **for electronic invoicing**, aiming to digitize the entire invoicing process from supplier to customer, including automated data submission to the financial administration. More information can be found [at this link](#).
- The Ministry of Finance of the Slovak Republic has determined a [new template for the VAT return form](#), which takes into account legislative changes effective from **July 1, 2025**. This template will be used for filing tax returns for tax periods starting no earlier than July 1, 2025.

From abroad:

- Cyprus is considering a tax reform that includes **increasing the corporate income tax rate** from 12.5 % to **15 %** and offering various tax incentives. The reform aims to strengthen tax residency criteria, extend loss carryforward periods, and introduce a new framework for intangible assets.
- On February 8, 2025, the United Arab Emirates issued a decision setting rules for the **introduction of a domestic minimum top-up tax** in accordance with OECD model rules for **fiscal years** starting from **January 1, 2025**. The new legislation includes OECD guidelines and administrative requirements for registration and filing tax returns. More detailed information can be obtained [at the following link](#).

Do you know what comes with buying a new car from another EU member state?

Buying a new car or motorbike from another EU member state is not an everyday occurrence. It's important to bear in mind in advance that even if you bring a new vehicle from another EU member state to Slovakia as a private individual, you will still have to file a VAT return and pay VAT in Slovakia.



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What is meant by "new means of transport"?

According to the Slovak VAT Act, a new means of transport is considered to be, inter alia, a motorised land vehicle the capacity of which exceeds 48 cubic centimetres or the power of which exceeds 7,2 kilowatts, which is intended for the transport of persons and goods and which meets at least one of the following criteria:

- the vehicle has travelled for no more than 6,000 kilometres, or
- the supply takes place within six months of the date of first entry into service.

When does the VAT liability arise in Slovakia?

When buying a new means of transport from another EU member state, the buyer is obliged to pay VAT in Slovakia.

A person who is not registered for VAT becomes liable for VAT on the acquisition of a new means of transport in Slovakia from another EU Member State on the date of acquisition of the new means of transport.

Thus, VAT liability arises to the buyer on the date of the transfer of the right to dispose of the new means of transport shipped or transported to the acquirer in Slovakia, as the owner.

What do you have to do?

- **File a VAT return**

The buyer – a person who is not registered for VAT, is obliged **to file a VAT return to the locally competent tax authority within 7 days of the acquisition of a new means of transport** and pay the VAT within the same time period.

- **Pay the VAT**

Thus, the buyer (private individual) is not obliged to register as a VAT payer but must file a VAT return and **transfer the amount of VAT to the respective account assigned (notified) to them by the tax authority**. If that person has not been notified of the respective account number for VAT payment, they are obliged to pay the VAT within 7 days of the date

of receipt of that notification.

- **Submit enclosures to the VAT return**

At the same time, they are obliged to enclose to the VAT return an **officially certified copy of the document of purchase of a new means of transport** and, upon request of the tax authority, to provide other information necessary for the correct determination of the VAT.

The car purchase invoice itself must be kept. Under the VAT Act, any person who buys a new vehicle from another EU Member State is obliged to keep the invoice for the purchase of the new means of transport for ten years after the year in which the purchase was made.

- **Request a VAT payment certificate**

Once the VAT has been paid, it is necessary to **request the tax authority for issuance of a VAT payment certificate**. The issued certificate must be presented by the acquirer when registering the motor vehicle at the Transport Inspectorate of the Police Force of the Slovak Republic.

Similar obligations apply to acquirers of vessels and aircrafts meeting the separately established criteria for a new means of transport under the Slovak VAT Act.

Another Amendment to the Financial Transaction Tax Act approved by Parliament

Parliament has approved yet a second amendment to the act on new financial transaction tax, which will be paid from 1 April 2025.



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This latest amendment to the act, about which we informed you in [November](#) and in [December](#), brings the following key changes:

- Broadening the scope of persons who will not be taxpayers, e. g. schools,
- Extension and clarification of exemptions from the subject of the tax for attorneys and public universities,
- Introduction of the possibility for the taxpayer, when calculating the transaction tax from the recharged costs, to deduct also transaction tax paid by the person recharging these costs,
- abolition of the obligation to notify the tax collector of the special account from which selected financial transactions that are not subject to tax will be made (e. g. payment of taxes and levies).

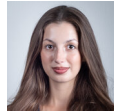
We will keep you informed about the next steps in the legislative process.

Fundamental reform of construction legislation has been definitively approved

At an extraordinary session in February, the Parliament approved a new Construction Act in an accelerated legislative procedure. It is expected to speed up and simplify the related processes and reduce the administrative burden for building authorities, citizens, but also developers.



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The new Construction Act, which will come into force **on 1 April 2025**, brings significant changes to the building permitting process in order to simplify and shorten the permitting processes for buildings and their use in Slovakia. The new legislation **replaces the currently valid Construction Act No. 50/1976 and the valid, but ineffective Act No. 201/2022 Coll. on construction.**

One of the key changes is **the merging of the original two-stage zone planning and construction proceedings into single building plan procedure.** However, this procedure also includes two proceedings, namely the procedure on the construction plan, whereby the authorisation to carry out the construction is only the verification of the construction project by a verification clause made by the building authority on the basis of a separate application of the builder. The new legislation also deals **with the issue of illegal buildings** and introduces the **so-called zero tolerance for illegal buildings built after the new legislation comes into effect.** In relation to illegal buildings built before the entry into force of the new act, the procedure for reviewing the suitability of the construction for operation remains in force, which regulates the procedure for legalization of these illegal buildings.

The new Construction Act has already been published in [the Collection of Laws](#) under No. 25/2025 Coll.

We will discuss individual news in the field of construction legislation in detail in the next editions of our tax and legal news.

Amendment to Accounting Procedures

Adjustment of accounting for equalization tax and financial transaction tax. Changes in the accounting of crypto assets.



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The amendment to the Act on Accounting No. 248/2024 Coll. in connection with crypto-assets, which we informed you about in [Daňovky](#), also prompted an amendment to the Accounting Procedures, namely by the [Decree of the Ministry of Finance No. MF/014948/2024-74](#) from 11 December 2024.

Some adjustments regarding crypto-assets and tokens:

- Electronic money tokens are considered short-term financial assets.
- Short-term financial assets also include assets accounted for in account group 25, including a crypto-asset, (except for an electronic money token) that is a crypto-asset acquired for consideration, a crypto-asset acquired by means of verification of transactions in the network of that crypto-asset as of the date of exchange for another asset or service, a crypto-asset acquired by means of exchange for another crypto-asset, and a crypto-asset acquired free of charge.
- New Article 30f is added which regulates the accounting treatment in the accounting books of the issuer of a utility token and other crypto-assets.

In addition to the detailed accounting treatment of crypto-assets and tokens, the amendment also brings the following changes and amendments:

- For the purpose of accounting for deferred tax, the top-up tax shall not be considered. Information about this fact and the part of the expense related to the income tax due attributable to the top-up tax shall be provided in the notes to the financial statements
- An accounting entity that accounts for deferred tax and is not the payer of the top-up tax but expects to become subject to that tax in the subsequent accounting period shall provide information about this expected event in the notes to the financial statements, along with a description and calculation of the estimated impact of the top-up tax on the accounting entity.
- The top-up tax shall be debited to the accounts in account group 59 - Income taxes and transfer accounts and to account 341 - Income tax.
- Account 538 - Other taxes and fees shall also be used to account for the financial transaction tax.

The provisions regarding the **top-up tax** became effective on **31 December 2024**, while the provisions regarding **crypto-assets and tokens and the financial transaction tax** enter into force on **1 January 2025**.

According to the transitional provisions regarding the top-up tax effective from 31 December 2024, they are applied for the first time when preparing the financial statements as of 31 December 2024. If the accounting entity prepares financial statements as of a date preceding 31 December 2024, these provisions may also be applied when preparing the financial statements if the financial statements are prepared after 31 December 2024.

How the FASTER directive transform withholding tax refund?

In December, the European Union adopted a directive that will simplify and accelerate the processes related to the refund of excess withholding tax. This directive is a significant step towards modernizing tax processes within the European Union, aiming to reduce administrative burdens and increase transparency.



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On 10 January 2025, **Council Directive (EU) 2025/50**, known as the **FASTER directive**, was published in the Official Journal of the European Union. This directive aims to ensure faster and safer refunds of withholding tax overpayments. The directive will take effect on **30 January 2025**, and member states must transpose it by **31 December 2028**. The rules of the directive will come into force on **1 January 2030**.

As we informed you in a [previous article](#), the directive includes three key elements:

- A common EU digital tax residence certificate, which will contain standardized content regardless of the issuing member state;
- Two expedited procedures complementing the existing standard tax refund procedure in each member state, including:
 - a relief-at-source system and
 - a quick refund system. Member states concerned will be required to implement one of the two systems (or a combination thereof);
- The introduction of national registers for financial intermediaries who will be able to facilitate expedited procedures. Such financial intermediaries will be subject to additional due diligence and common reporting requirements.

For more detailed information, you can read the [EU Tax Flash](#) or [E-News](#) prepared by our colleagues from the KPMG EU Tax Centre.

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