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TAX & AUDIT SERVICES

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In this issue includes:
**From 2018, the retention period of accounting documents
will be 10 years**

MANDAT CONSULTING, k.s., Nám. SNP 15, 811 01 Bratislava, www.mandat.sk

THE RETENTION PERIOD OF ACCOUNTING DOCUMENTS

The Accounting Act set out different time periods for the retention of individual accounting records. Financial statements, statements of selected data from the financial statements and annual reports were retained for the period of ten years following the year to which they relate. These obligations remain unchanged.

The change relates to accounting records for which the retention period of 5 years was applicable. The new amendment requires that accounting records, accounting books, lists of accounting books, lists of numerical or other symbols and abbreviations used in the accounting system, depreciation plan, inventory lists, inventory records and the chart of accounts are retained **for ten years following the year to which they relate**. The retention period of accounting documents, which form a basis for the preparation of financial statements, is therefore in line with the retention period of financial statements. In a similar way, this change will ensure a compliance with the Tax Code, as the documents will be available up to the expiration of the right to recover the tax. The VAT Act also requires that invoices are retained for the period of 10 years.

This obligation does not only apply to new documents after 1 January 2018. The obligation to retain accounting documents for the period of 10 years applies to all documents for which the original five-year retention period has not yet expired. To put it simply, accounting documents for 2012 must be retained until the end of 2017. For these documents, the new amendment does not apply. As far as the accounting documents for 2013 (and later) are concerned, the five-year retention period will expire in 2018, so it is necessary to follow the new wording of the Accounting Act and to retain them for 10 years. At the same time, the new ten-year retention period also applies to records relating to the manner and form of bookkeeping (software, data media like CDs, etc.).

Under the Accounting Act, tax authorities may impose a fine for breaching obligations related to the retention of accounting documents and related records up to EUR 100,000.

Warning: Retention of accounting and related documents is required not only by the Accounting Act. The accounting entity must proceed, when retaining these documents, also in accordance with Act No. 395/2002 Coll. on Archives and Registers, as amended. Archiving of various documents is also governed by other legislation, such as the VAT Act, the Social Insurance Act, or the Health Insurance Act. If any other legislation requires longer retention periods, such longer periods should be applied.



Roman Ferjanc

e-mail: roman.ferjanc@mandat.sk
Tel.: +421 2 571042-12

NOT TO BE MISSED

Overview of important dates in the November 2017 can be found on our website: <http://www.mandat.sk>



Robert Jex

e-mail: robert.jex@mandat.sk
Tel.: +421 2 571042-13

ABOUT US

The companies **MANDAT CONSULTING, k.s.** and **MANDAT AUDIT, s.r.o.** were founded in 2004 as tax advisory and auditing companies. Since their establishment, they have been providing small, medium-sized and companies active in Slovakia with services in the field of tax consultancy, audit and accounting. Long-lasting cooperation with foreign advisory companies hand in hand with the competence of Slovakian tax advisors and auditors enables us rendering our service to the clients originated from abroad.

In present time, 41 well trained members of our staff are at the disposal to our clients.

Information provided in this material are only of a cursory nature. **MANDAT CONSULTING, k.s.** assumes no liability for any decision taken on the basis of this issue.

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