

JANUARY 2016

mandat
TAX & AUDIT SERVICES

Fresh tax, legal and economic information



MANDAT news

In the January issue includes:
Amendment to Value Added Tax Act
License fees

AMENDMENT TO VALUE ADDED TAX ACT

Changes in the Construction Industry

Since 1 January 2016, an amendment to the Value Added Tax Act has been in force. One major change is the introduction of a new reverse charge regime, **the so-called domestic construction industry self-assessment**. The aim of the amendment is to prevent companies in the construction industry to raise unjustified fictitious VAT claims and demand payments from the state. The amendment also eliminates the risk of secondary insolvency.

The amendment introduces the transfer of the tax obligation from the provider of construction works to the recipient of construction works. This means that the taxable person – the provider of the construction works, will invoice its supplies excluding of VAT, while the taxable person – the recipient of the works, will assess the tax and apply the tax deduction if the necessary conditions for a tax deduction exist.

The reverse charge regime is applicable to supplies of construction works, supplies of buildings or parts of buildings based on contracts for work or similar contracts and is also applicable to supplies of goods which are supplied by the contractor together with an assembly or installation, if such assembly or installation belongs to Section F of the Statistical Classification of Products by Activity (CPA) 2015.

Conditions for applying the reverse charge regime:

- The subject of supply consists of construction works and goods defined in law.
- The place of supply of the goods or service is in the Slovak Republic.
- The supplier and the recipient are domestic taxable persons.
- Services belong to Section F.

We will present more detailed information about this amendment to the Value Added Tax Act in the next issue of our newsletter.



Robert Jex

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

LICENSE FEES

No later than on 31 January 2016, it is necessary to make the payment for services provided to the public by the Slovak Radio and Television, i.e. to pay the so-called license fees. Payment for services must be done without any prior notice or invoice.

Commencement and termination of the obligation to pay the license fees:

The obligation to pay the license fees commences on the first day of a calendar month following the calendar month, in which an employer

LICENSE FEES

employs at least three employees, and terminates on the last day of the month, in which an employer employs at least three employees.

Monthly rates applicable to employers depending on the number of employees:

- EUR 4.64 if the employer employs 3–9 employees
- EUR 18.58 if the employer employs 10–49 employees
- EUR 79.66 if the employer employs 50–249 employees
- EUR 199.16 if the employer employs 250–999 employees
- EUR 464.71 if the employer employs 1,000 or more employees

Payment method:

Payments must be paid in the amount specified by law and according to the periodicity selected by the payer to the account number maintained by the State Treasury.

Payment may be made once per quarter, once per half-year or yearly; the payer is obliged to pay the final instalment before the last day of the first calendar month of the period to which the payment applies.

Account number:	7000 333 333/ 8180
IBAN:	SK86 8180 0000 0070 0033 3333
Constant Symbol:	0558
SWIFT:	SPSRSKBA
Variable Symbol:	88xxxxxxxx
Payment date:	Up to 31.01.2016

(The eight-digit ID of the employer should follow the digits 88. If the employer has only six-digit ID, two zeros should be inserted between the digits 88 and the ID; example: 8800xxxxxx),

Payments must specify the Variable Symbol; otherwise, the payment cannot be properly matched with the respective payer.



Marian Vojtek

e-mail: marian.vojtek@mandat.sk
Tel.: +421 2 571042-22

NOT TO BE MISSED

Important dates

Overview of important dates in the period from January to March 2016 can be found on our website: <http://www.mandat.sk>

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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Please contact us, should you require additional information.



Roman Ferjanc

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