

Fresh tax, legal and economic information

NEWSLETTER

1/2026

TAXATION OF NON-RESIDENTS' INCOME FROM COMPUTER PROGRAMS

GROUP REGISTRATION FOR VAT PURPOSES

AMOUNT OF FINES

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Dear Client,

in the current issue of our Mandat newsletter, we would like to summarize the most important changes in tax law that will come into effect on 1/1/2026.

TAXATION OF NON-RESIDENTS' INCOME FROM COMPUTER PROGRAMS

From 1/1/2026, the guidelines of the Ministry of Finance of the Slovak Republic on the taxation of non-residents' income from computer programs (software) will come into effect, which brings with it a significant change in the method of applying the tax collected by withholding for payments for the use of software.

The above-mentioned change is based on the fact, that Slovak Republic has ceased to apply its reservation to the article of the OECD Model Convention concerning licensing fees for the provision of the right to use software and has fully identified itself with the wording of the OECD commentary.

The most important change in this context is the fact that payments of licensing fees for the personal use of software as a product, where the user acquires only limited copyrights that are necessary for the operation and use of such software, can be considered as licensing fees, regardless of whether it is standardized or non-standardized software.

If interested, we can provide you with an analysis of the nature of the payments in question as well as assistance in fulfilling the legal obligations.

GROUP REGISTRATION FOR VAT PURPOSES

Another change, which will come into effect from 1/1/2026, is a change in the rules for group registration for VAT purposes.

The law introduces the possibility of registering a VAT group ex officio, with the aim of preventing tax evasion.

This mainly concerns cases of chaining the special purpose companies that are controlled or managed by the same person in such a way that they do not reach the turnover required for mandatory VAT registration.

This measure is intended to prevent unjustified redistribution of turnover for delivered goods and services among several business entities and thus the use of an unjustified competitive advantage due to a lower price.

The tax administrator will evaluate these facts based on the results of local investigations or tax audits.

If interested, we can provide you with representation in tax audits as well as a preliminary analysis of the existence of potential risk.

AMOUNT OF FINES

The provisions regarding the amount of fines that the tax administrator may impose in the event of failure to comply with legal obligations have also undergone significant changes.

In cases of failure to comply with the obligation to file a tax return, the upper limit has increased to EUR 60,000, or in the event of failure to comply with registration obligations, the upper limit of the fine that can be imposed has increased to EUR 30,000.

At the same time, the minimum limit of the fine that can be imposed, is increased to EUR 100.

The aforementioned change concerns failure to comply with obligations, if the event decisive for the imposition of fines occurred after 31/12/2025.

Finally, we would like to draw your attention to the topics we have informed you about in previous issues of our newsletter, or to other changes that come into effect as of 1/1/2026.

OTHER CHANGES

Effective from 1/1/2026, the scope of the possibility of deducting VAT, when purchasing passenger motor vehicles that are expected to be used for both personal and business purposes, is limited to a maximum of 50%.

At the same time, we draw your attention to the institute of tax amnesty, which allows taxpayers to settle their obligations to the tax administrator without additional fines and interest on late payment.

If interested, we can provide you with an analysis of the impacts and possible solutions in connection with the deduction of VAT, when purchasing passenger motor vehicles, as well as assistance in applying the tax amnesty institute.

Other changes taking effect from 1/1/2026:

- Removal of possibility of representation by a tax representative, when purchasing goods from another Member State that are intended for delivery to another Member State or a third country,
- Introduction of the possibility of using the services of a certified delivery service provider even before the introduction of mandatory electronic invoicing for VAT purposes,
- Introduction of changes in the scope of items to which a reduced VAT rate can be applied,
- Publication of the income tax return form, which is related to the change in the scope of reporting information on transactions with related parties,
- Clarification of the rules for tax deductibility of non-deductible VAT on the acquisition of passenger motor vehicles used for private and business purposes, or for other operating costs,
- Changes in the amount of the minimum tax for legal entities.

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, 50 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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