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MANDAT news

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DOCUMENTATION ABOUT PERSONAL DATA PROTECTION

In accordance with act no. 122/2013 Coll. on Protection of Personal Data and Changing and Amending of other acts, resulting from amendments and additions executed by Act no. 84/2014 Coll. (hereinafter referred to as "PDP Act"), the company, which processes the personal data, as the controller or the processor, is obliged to secure the adequate protection taking into account the combining of the fulfilling several regulatory obligations and adequate technical, organizational and personal security measures. The most important and the most administratively difficult obligation is the assuring to elaborate the Security project, in case of processing so-called special category of personal data (e.g. photographs, birth ID no., photocopies and scans of identity cards etc.) in information system connected to public accessible computer network (internet).

If the Company processes the personal data of several groups of data subjects, including so-called special categories of personal data concerning the employees of the company in information system connected to public accessible computer network (e.g. online registration and deregistration of employees to relevant registers of Social Insurance Agency) is obliged to elaborate the Security project according to § 19 sec. 2a and § 20 of the PDP Act. The Security project shall be elaborated in accordance with order no. 164/2013 Coll. on the extent and documentation of safety measures and in compliance with the basic safety standards primarily expressed in the technical standards ISO 27001, ISO27002 and ISO27005.

For not fulfilling the obligation to elaborate the Security project under PDP Act, the sanction will be obligatory imposed in amount of EUR 1000,- to 200.000,- EUR.

Except upper mentioned finding is necessary to note, that currently flows the transition period for the complying Company's internal processes and individual conditions of processing personal data with Regulation (EU) 2016/679 of the European parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (hereinafter referred as "GDPR"), which shall be enter into force from 25 May 2018.

For breaching the rules of GDPR, the sanctions up to 20 000 000 EUR, or in the case of an undertaking, up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, will be imposed.

We recommend to elaborate the documentations about personal data protection and secure the compliance its individual processing of personal data with upper mentioned legislation to avoid potential sanctions imposed by supervisory authority (the Office for Personal Data Protection of the Slovak Republic). In case of interest we may facilitate to contact Company on professional advisory services in area of personal data protection.



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REGISTER OF PUBLIC SECTOR PARTNERS

Act No. 315/2016 Coll., on the Register of Public Sector Partners (the "RPSP") became effective on 1 February 2017.

Public sector partner is a natural person or legal person, which, among other things, receives financial performance or assets exceeding the limit stipulated by the law, specifically EUR 100,000 in the case of one-time performance or EUR 250,000 aggregately over a calendar year in case of repetitive performance, from the government, local government and other public entities. The performance can include funds from the state budget, from the budget of a special state fund, public body, municipality, higher territorial unit or from the European structural and investment funds, legal person established by law, legal person funded or controlled by the State, etc.

Public Sector Partners do not register in the RPSP themselves. For this purpose, they must hire an authorized person (pursuant to the law, it can be bank or branch of a foreign bank, lawyer, notary, tax adviser or auditor with the registered office or place of business in the Slovak Republic), with whom they have to conclude an agreement on compliance with the obligations of the authorized person of a public sector partner or the contract on control activities. Subsequently, the authorized person performs – on behalf of the public sector partner – all acts relating to the RPSP (not just the initial registration, but also any modifications or deletions of registered data). The most important document is the so-called verification document, by which the authorized person identifies the beneficial owner (hereinafter referred as "BU") and verifies the beneficial owner's identity. The authorized person bears (jointly with the partner) responsibility for the correctness of data in the register, for the identification of BU and for the verification of the identification of BU on a regular basis.

The beneficial owner is any natural person who actually controls the legal person, natural person-entrepreneur or association of property and also any natural person in whose favour such entities may perform their activities or transactions. BU of a legal person is particularly the natural person who

1. Has a direct or indirect interest or a sum of interests totalling to at least 25% of voting rights in a legal person or its registered capital, including bearer shares;
2. Has the right to nominate or otherwise appoint or remove any statutory body, managing body, supervisory or controlling body in a legal person or any member of such bodies;
3. Controls the legal person in any other way than described in paragraphs 1 and 2;
4. Is entitled to receive the economic benefit of at least 25% of the business activities of the legal entity or from its other activities.

Members of senior management of a legal person are considered to be BU if no natural person meets the criteria listed above. Who is a member of senior management? Statutory body and/or its members, authorized agent, manager (employee) acting directly as a statutory body.



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REGISTER OF PUBLIC SECTOR PARTNERS

For this purpose, a register was established that belongs among public administration information systems. Its administrator and operator is the Ministry of Justice of the Slovak Republic; Žilina District Court is the registering authority. The Register is accessible through the Ministry's website:

www.justice.gov.sk

Extract from the register can be issued to anyone; there are plans to generate extracts directly from the register.

The RPSP took over the register of beneficial owners that was – in accordance with the applicable legislation – maintained up to 31 January 2017 by the Public Procurement Office; persons registered in the register of beneficial owners are considered as persons registered in the RPSP. Such persons, however, are obliged to ensure the verification of identification of beneficial owners pursuant to the new legislation by 31 July 2017. The difference between the old legislation and the new legislation effective from 1 February 2017 lies in the fact that the identification of the beneficial owner will no longer be based only on his/her solemn declaration, but a stricter regime of verification of beneficial owners by identification procedure is introduced. Failure to comply with this obligation within the specified period will result in automatic deletion from the RPSP, which would mean that the deleted persons cannot claim any funds or other performance from the public sector. And if they have already claimed such funds or performance, or if they already have been paid, possible penalties can be applied, including a recovery of the funds. Any public sector partner must be registered in the Register at least for the duration of the contract.

If you are interested, it is possible to ensure for our clients and in cooperation with our company a mediation of registration of a public sector partner in the RPSP.



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NOT TO BE MISSED

Important dates

Overview of important dates in the period March 2017 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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