

JUNE 2016

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TAX & AUDIT SERVICES

Fresh tax, legal and economic information



MANDAT news

In the June issue includes:
Act on Criminal Liability of Legal Persons

ACT ON CRIMINAL LIABILITY OF LEGAL PERSONS

The Act on Criminal Liability of Legal Persons becomes effective from **1 July 2016**, introducing the direct criminal liability of legal persons into our legal system.

As opposed to the current regulation, the Act on Criminal Liability of Legal Persons introduces the direct criminal liability of legal persons.

The adoption of the Act on Criminal Liability of Legal Persons results primarily from international commitments of the Slovak Republic, but also from the need to approximate the Slovak regulation to those of the other Member States of the European Union. The legislature chose the form of a special act that addresses both the substantive and procedural aspects rather than the form of amendments to the Criminal Code and the Code of Criminal Procedure.

The Act on Criminal Liability of Legal Persons precisely identifies the crimes, to which the criminal liability is attached. They include:

- certain property crimes;
- tax crimes (e.g. shortening or non-payment of taxes and insurance);
- crimes related to drugs, narcotics and precursors;
- crimes of human trafficking;
- crimes related to the environment and waste management;
- corruption crimes;
- damaging the financial interests of the European Union;
- illegal employment, etc.

The strictest punishment pursuant to this act is the winding-up of the legal person. Upon the coming into force of a decision imposing the penalty of winding-up of a legal person, the legal person shall enter into liquidation.

Other possible penalties include:

- forfeiture of property;
- forfeiture of a thing;
- **penalty from EUR 1,500 up to EUR 1,600,000;**
- ban on activities;
- prohibition to receive grants or subsidies;
- prohibition to receive assistance and support provided from the EU funds;
- prohibition to participate in public procurement;
- publication of the judgement.



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ACT ON CRIMINAL LIABILITY OF LEGAL PERSONS

In the context of any bankruptcy or liquidation proceedings it is to be noted that criminal liability of a legal person does not terminate upon the initiation of such bankruptcy or liquidation proceedings, cancellation of such a legal person or the imposing of a receivership.

The act on criminal liability of legal persons also amends other related acts, such as the Criminal Code, Code of Criminal Procedure and also amends the administrative acts relating to the various authorizations, registrations and licenses for legal persons where it will be necessary to demonstrate the integrity of a legal person for the purposes of such proceedings.

News concerning the list of debtors

Pursuant to the Act on Tax Administration (the Tax Code) in force from 30 April 2016, the Financial Directorate of the Slovak Republic published the list of tax debtors annually according to the state as at 31 December of the previous year (i.e. it had to publish the debtors as at 31 December 2014 no later than on 30 June 2015). The list included taxpayers whose aggregate amount of tax arrears exceeded EUR 17,000 for natural persons or EUR 170,000 for legal persons, in relation to whom the right to recover the debt did not cease to exist. The currently valid list is published on the website of the financial administration in the section:

<https://www.financnasprava.sk/sk/elektronicke-sluzby/verejne-sluzby/zoznamy/zoznam-danovych-dlznikov>

According to the amendment to the Tax Code, which became effective on 1 May 2016, the Financial Directorate of the Slovak Republic is obliged to update the list of tax debtors on a monthly basis. Persons whose aggregate amount of tax arrears exceeds EUR 170 as at the last day of the calendar month will be included in the list. Updated lists will be published by the end of each calendar month following the calendar month for which the list is compiled. **The first list for May 2016 will be published no later than on 30 June 2016.**



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NOT TO BE MISSED

Important dates

Overview of important dates in July 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.

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