



# DOING BUSINESS IN SLOVENIA 2024

Audit / Tax / Advisory

Smart decisions. Lasting value.

# Welcome

## to Doing Business in Slovenia

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Doing Business in Slovenia serves to provide general information for companies planning to do business in Slovenia and individuals intending to live and work in Slovenia temporarily or permanently.

This Guide includes relevant information about business operations and taxation matters.

It is intended to assist organizations that are considering establishing a business in Slovenia either through subsidiary or a branch office of an existing foreign company or a separate entity.

It also provides guidelines to anyone planning to come to Slovenia to work and live here either due to local employment or due to secondment mission from another country or generally as a permanent life choice.

Unless noted otherwise, the information contained in this Guide is believed to be accurate as of 1 January 2024. However, general publications of this nature cannot be used and are not intended to be used as a substitute for professional guidance specific to the reader's particular circumstances.

*Smart decisions.*

*Lasting values.*

*Audit*

*Tax*

*Advisory*



## About Crowe Global

Crowe Global is ranked among the top 10 global accounting networks with more than 180 independent accounting and advisory services firms in more than 130 countries around the world. Crowe Global's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily.

Each firm is well-established as a leader in its national business community and is staffed by nationals, thereby providing the knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Global member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

## General information

Local currency	EUR
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## Company types

### LTD

Name in local language	Družba z omejeno odgovornostjo (d.o.o.)
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Minimum capital	EUR 7,500
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Tax/commercial/court registration	Yes
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Minimal number of shareholders/ Maximum number of shareholders	Min 1, max 50
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Statutory audit	If classified as public interest entity, or medium or large company if exceeding at least two of the following conditions: <ul style="list-style-type: none"><li>- Operating revenue: over MEUR 8</li><li>- Total assets: over MEUR 4</li><li>- Avg. number of employees: over 50</li></ul>
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### PLC

Name in local language	Delniška družba (d.d.)
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Minimum capital	EUR 25,000
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Tax/commercial/court registration	Yes
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Minimal number of shareholders/ Maximum number of shareholders	Sole shareholder company / n/a
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Statutory audit	Yes
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### Branch

Name in local language	Podružnica
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Minimum capital	N/a
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Tax/commercial/court registration	Yes
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Statutory audit	N/a
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## Corporate Income Tax

Tax rate	22% (certain funds: 0%)
Accounting rules	Companies have the option to apply either IFRS or Slovenian Accounting Standards (SAS)
Tax residency	Resident if having a business seat or effective management in Slovenia, otherwise non-resident
Scope of taxation	Residents are taxed on their income sourced in Slovenia and abroad (worldwide income) Non-residents (permanent establishments) are taxed only on their profit attributable to their business activity in Slovenia
Tax loss carry forward	<ul style="list-style-type: none"> <li>- Permitted</li> <li>- Utilization up to 50% of tax base, outstanding amount is carried forward</li> <li>- No time limitation for utilization</li> </ul>

**Utilization of tax reliefs and tax losses together is limited to 63% of tax base:**

	Relief type	Utilization	Carry forward
Tax reliefs	R&D activities	100%	Yes, 5 years
	Equipment and intangible assets investment	40%	Yes, 5 years
	Digital and eco-friendly investment	40%	No
	Employment of the disabled	50% of their salary and 70% for fully physically disabled and deaf individuals	No
	Employment of youth and elders	45-55% of their salary for the first 24 months of employment	No
	Practical training	Limited to 80% average salary in Slovenia	No
	Voluntary additional pension insurance	24% of obligatory contributions for pension and disability insurance, however max. EUR 2,390	No
	Donations	Limited to 1% of taxable income and for special purposes up to 5%	Yes, 3 years only for special purpose donations



Dividends	<ul style="list-style-type: none"> <li>- 95% exempt as income if received local or foreign entity-not from tax haven jurisdictions</li> <li>- Fully taxable if received by foreign company from tax haven jurisdictions</li> </ul>
Capital gains	<ul style="list-style-type: none"> <li>- 47.5% exempt if derived from sale of shares, under certain conditions</li> <li>- Fully exempt if arising from EU merger or acquisition (tax neutrality)</li> <li>- Other capital gains are fully taxable</li> </ul>
Loans - tax deductibility rules	<ul style="list-style-type: none"> <li>- Thin capitalization rule: Maximum tax deductible interest expenses on loan amount for loans between related parties is limited to equity-loan ratio 1:4 and additionally to 30% of EBITDA or EUR 1.000.000, whichever is higher</li> <li>- Also, tax deductible expenses for loans between related parties are limited to market interest rate "POM"</li> </ul>
Foreign tax credit	Allowed up to the amount of Slovenian tax which would be payable on such income under condition that evidence on foreign tax payment is presented to Tax Authority as well
<b>Permanent establishment</b>	<ul style="list-style-type: none"> <li>- Indicator: project in Slovenia <b>last longer than 6 months</b></li> <li>- Examples: construction site, assembly or installation project or supervision in relation thereto</li> </ul>

## Transfer Pricing

Transfer pricing documentation	<ul style="list-style-type: none"> <li>- Company that operates with related parties is obliged to prepare transfer pricing documentation for each year in which those transactions took place</li> <li>- The transfer pricing documentation should be prepared in line with OECD Guidelines and local requirements</li> <li>- Company must present it upon Tax Authorities' request</li> </ul>
Advance Pricing Agreement (APA)	<ul style="list-style-type: none"> <li>- APA in an agreement used for transactions between related parties, before they commence to take place, to define market transfer prices upfront</li> <li>- The competent authority for all types of APA agreements is the Financial Administration of the Republic of Slovenia</li> </ul>
Mutual Agreement Procedure (MAP)	If Tax Authority modifies transfer prices and company does not agree with their decision as it leads to taxation in the other country involved (double taxation scenario) which is not in line with relevant Double tax Treaty, the company may file request to commence MAP procedure

## Withholding Tax & Double Tax Avoidance

Standard tax rate	15% or exempt or reduced upon claim*
Dividends	15%
Interest	15%
Royalties	15%
Other	15%

Above withholding tax rates apply unless exemption under EU directives or exemption/reduction under following Double Tax Treaties (currently 61) is claimed – the latter are used also to eliminate other potential double tax or non-tax scenarios:

Tax exemption or reduction / Double taxation avoidance*	Albania	Iceland	Poland
	Armenia	India	Portugal
	Austria	Iran	Qatar
	Azerbaijan	Ireland	Korea Republic
	Belgium	Italy	Russia
	Belarus	Isle of Man	Romania
	Bosnia and Hercegovina	Israel	Serbia
	Bulgaria	Japan	Singapore
	Canada	Kazakhstan	Slovakia
	China	Kosovo	Spain
	Croatia	Kuwait	Sweden
	Cyprus	Latvia	Switzerland
	Czech Republic	Lithuania	Thailand
	Denmark	Luxembourg	Turkey
	Estonia	Malta	Ukraine
	Finland	Moldova	United Arab Emirates
	France	Montenegro	United Kingdom
	Germany	Morocco	USA
	Greece	North Macedonia	Uzbekistan
	Georgia	Netherlands	
Hungary	Norway		

## Taxation of immovable property

Real Estate Transfer Tax (RETT)	2%
Tax depreciation	3% - 6%
Municipal tax for the use of building land	Tax varies per each real estate as calculated with special formula by competent Municipality

## Value Added Tax (VAT)

Tax rates	5%, 9.5%, 22%
Tax exempt activities	<ul style="list-style-type: none"> <li>- Public interest activities: health, dental, social, education, religious communities, sports and physical education, universal postal services, culture, activities of non-profit organizations</li> <li>- Other exemptions: real estate rental and certain sales, financial and insurance services and some other specific supplies</li> </ul>
VAT refund	VAT identified entities claim refund through monthly/quarterly tax return, otherwise (if not identified) with special refund form

## Personal Income Tax

Taxable income	<p>Income tax sources are divided into:</p> <ul style="list-style-type: none"> <li>- Income from employment</li> <li>- Income from activities of sole proprietors</li> <li>- Income from basic agricultural and basic forestry activities</li> <li>- Income from the property renting / rights</li> <li>- Income from capital</li> <li>- Other income</li> </ul> <p>Tax on income from capital, activities of sole proprietors (certain cases) and rental income is deemed as final.</p>
Income from employment	Between 16% and 50%
Income from employment	<p>Tax residents:</p> <ul style="list-style-type: none"> <li>- General yearly relief amounts EUR 5,000</li> <li>- Additional yearly relief for each dependent family members starting from EUR 2,698 onward</li> </ul> <p>Expats:</p> <ul style="list-style-type: none"> <li>- Yearly relief EUR 12,000 / monthly EUR 1,000, regardless if resident or non-resident</li> </ul>
- tax reliefs for residents and expats	
Capital gains	25% (reduces each 5 years, after 15 is 0%)
Dividends	25%
Interest	25%
Income from property renting / rights	25%
Other income	25%



## Mandatory social contributions

Employer's	16.10%
Employee's	22.10% plus EUR 35 (additional mandatory health contr.)

## Global Employment / Global Mobility

Work and Residence permit	Obligatory for all non-EU nationals who wish to work in Slovenia
Minimum gross salary	EUR 1,253.90
Expatriate tax relief	As mentioned above, expats are allowed to yearly tax relief of EUR 12,000 / monthly EUR 1,000

## Other information

	For taxpayers	For individuals (directors, shareholders)
Penalties		
- for non-compliance with tax, corporate, labor or immigration law	Yes	Yes
Binding opinion / Advanced tax rulings	Yes - this option is available before business activity takes place	Yes - before taxable event
BEPS implementation	Slovenia duly implements international tax rules such as General Anti-Avoidance rules (GAAR), reporting rules on cross border tax arrangements (DAC6), Country-by-Country reporting (CbCr), Controlled Foreign Company (CFC), etc.	

# Crowe Slovenia Services

We at Crowe Slovenia offer support to your business with all of the abovementioned topics. Clients benefit from our deep specialization and our extensive industry experience and insights.

## Accounting and Financial advisory

- Bookkeeping Services
- Annual Financial Reports
- Controlling and reporting in accordance with accounting standards
- Periodical reports for public institutions and parent company
- Bank account monitoring and payment orders preparation
- Secretary Services
- Financial Due Diligence

## Tax and Legal

- Tax Advisory
- Tax Compliance:
  - Corporate Income Tax Reporting
  - Transfer Pricing file preparation, incl. Benchmark analysis
  - VAT Registration and Reporting
- WHT reduction or exemption claim on cross-border income
- Support with Tax Audit
- Legal Advisory / Contract drafting
- Due Diligence
- Corporate structuring / M&A
- Company establishment

## Payroll and Global Mobility / Expats

- Regular Payroll / HR Services
- Drafting or review of employment contracts
- Test salary calculations prior contract
- Employee registrations and deregistrations
- Global Mobility Services / Expats
  - Personal income tax and social security Advisory and Registration
  - Personal income tax and social security Reporting
  - Acquiring work and residence permits for non-EU individuals
  - Tax residency status determination
  - A1 forms

## Contact Information



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## About Crowe Slovenia

We are committed to service quality, highly integrated service delivery processes and core values that guide our decisions daily.

Our firm is well-established as a leader in our national business community with experienced professionals in advisory areas including accounting, audit, payroll, legal and tax. We believe this is important to clients undertaking new ventures or expanding into other countries.

More information on our profile and services are available on our official website [Crowe.com/si](https://Crowe.com/si).

## Our Global Reach

In addition to our local and regional services, as members of Crowe Global, we are part of a worldwide network of independent professionals and their know-how.

As member firm of Crowe Global we offer comprehensive, international expertise in a broad range of business consulting practices, including assurance, M&A, corporate finance, forensic services, human resources services, tax & regulatory.

This unique combination of our local and regional talent together with the global reach of our network we are a full-service provider with the local expertise and global worldwide capabilities, enabling us to meet client's expectations and support them with local and international business models.

