



# Doing business in Slovakia

2024

Accounting / Audit / Tax / Advisory

# Welcome

## to Doing Business in Slovakia

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Doing Business in Slovakia has been prepared by the Crowe Global member firm in Slovakia in order to provide general information for persons planning to do business with or in the country concerned and/or individuals intending to live and work in Slovakia 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 Slovakia either as a separate entity or as a subsidiary of an existing foreign company. It will also be helpful to anyone planning to come to Slovakia to work and live here either on secondment or 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.

*All lasting business is built on friendship.*

*Alfred A. Montapert*



## 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 about 140 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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## Types of organization

### LLC

Name in local language	Spoločnosť s ručením obmedzeným (abb. s. r. o. or spol. s r. o.)																
Registrable in commercial register / legal entity	Yes																
Minimum capital	5 000 EUR (if more shareholders, each min. of 750 EUR, together must be 5 000 EUR)																
Minimal number of shareholders/ Maximum number of shareholders	1 / 50																
Capital tax / Registration fees	150 EUR via e-form; stamps for trade registration = 5 EUR for free trade, none if via e-form; 15 EUR for craft or regulated trade, 7.50 EUR if via e-form																
Written form/ notarization	Written form is not possible, solely in e-form																
Registration with tax authorities	Yes, ex officio																
Statutory audit	Yes, if at least 2 of 3 conditions are met for current and prior accounting period: <table><thead><tr><th>In EUR</th><th>2022</th><th>2023</th><th>2024</th></tr></thead><tbody><tr><td>Total amount of gross assets</td><td>4 M</td><td>4 M</td><td>4 M</td></tr><tr><td>Net turnover exceeds</td><td>8 M</td><td>8 M</td><td>8M</td></tr><tr><td>Average no.of employees</td><td>50</td><td>50</td><td>50</td></tr></tbody></table>	In EUR	2022	2023	2024	Total amount of gross assets	4 M	4 M	4 M	Net turnover exceeds	8 M	8 M	8M	Average no.of employees	50	50	50
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## Public company (joint-stock company)

Name in local language	Akciová spoločnosť (abb. a. s. or akc. spol.)
Registrable in commercial register / legal entity	Yes
Minimum capital	25 000 EUR (min. per 1 shareholder is not established)

Minimal number of shareholders/ Maximum number of shareholders	2 / - (possible to be established by 1 legal person)																
Capital tax / Registration fees	375 EUR via e-form; stamps for trade registration = 5 EUR for free trade, none if via e-form; 15 EUR for craft or regulated trade, 7.50 EUR if via e-form; preparation of documentation if lawyers used 400 - 800 EUR, notary fee = 550 EUR for notary minutes (form of establishment contract)																
Written form/ notarization	Written form is not possible, solely in e-form																
Registration with tax authorities	Yes, ex officio																
Statutory audit	<p>Yes, if at least 2 of 3 conditions are met for current and prior accounting period:</p> <table border="1"> <thead> <tr> <th>In EUR</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total amount of gross assets</td> <td>4 M</td> <td>4 M</td> <td>4 M</td> </tr> <tr> <td>Net turnover exceeds</td> <td>8 M</td> <td>8 M</td> <td>8M</td> </tr> <tr> <td>Average no.of employees</td> <td>50</td> <td>50</td> <td>50</td> </tr> </tbody> </table>	In EUR	2022	2023	2024	Total amount of gross assets	4 M	4 M	4 M	Net turnover exceeds	8 M	8 M	8M	Average no.of employees	50	50	50
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## Branch (permanent establishment)

Name in local language	Pobočka, organizačná zložka (stála prevádzkareň)
Registrable in commercial register / legal entity	Branch office (definition of Commercial Code) listed in Commercial register / Permanent establishment registered at Slovak Tax Authority. Branch office does not automatically equal to permanent establishment for tax purposes
Minimum capital	n/a
Minimal number of shareholders/ Maximum number of shareholders	1 / n/a
Capital tax / Registration fees	Part of foreign company / Standard court fees
Written form/ notarization	Written form is not possible, solely in e-form
Registration with tax authorities	Permanent establishment for tax purposes shall be registered at respective Slovak tax office.
Statutory audit	n/a

## General commercial partnership

Name in local language	Verejná obchodná spoločnosť (abb. v. o. s. or ver. obch. spol.)			
Registrable in commercial register / legal entity	Yes			
Minimum capital	n/a			
Minimal number of shareholders/ Maximum number of shareholders	2 / n/a			
Capital tax / Registration fees	150 EUR via e-form			
Written form/ notarization	Written form is not possible, solely in e-form			
Registration with tax authorities	Yes, ex officio			
Yes, if at least 2 of 3 conditions are met for current and prior accounting period:				
Statutory audit	In EUR	2022	2023	2024
	Total amount of gross assets	4 M	4 M	4 M
	Net turnover exceeds	8 M	8 M	8M
	Average no.of employees	50	50	50

## Limited partnership

Name in local language	Komanditná spoločnosť (abb. k. s. or kom. spol.)
Registrable in commercial register / legal entity	Yes
Minimum capital	Min. per shareholder is 250 EUR
Minimal number of shareholders/ Maximum number of shareholders	2 partners with different legal status/ 1. Limited partner; 2. Unlimited partner
Capital tax / Registration fees	150 EUR via e-form
Written form/ notarization	Written form is not possible, solely in e-form
Registration with tax authorities	Yes, ex officio

Yes, if at least 2 of 3 conditions are met for current and prior accounting period:

Statutory audit

In EUR	2022	2023	2024
Total amount of gross assets	4 M	4 M	4 M
Net turnover exceeds	8 M	8 M	8M
Average no.of employees	50	50	50

## Value added tax (VAT)

Tax rates	Basic rate of 20% / Reduced rate of 10% / 2nd Reduced rate 5%
Supply of goods	Basic tax rate of 20% / Reduced tax rate of 10% as per goods in Annex No. 7 to Slovak VAT Act. / 2nd Reduced tax rate of 5% for supply buildings to state-supported rental housing
Supply of services	Basic tax rate of 20% / Reduced tax rate of 10% as per Annex No. 7a to Slovak VAT Act. / 2nd Reduced tax rate of 5% for construction services related to state-supported rental housing
Special provisions (exemptions to the general rule)	Implementation reverse charge mechanism as per Article 194 of the EU Directive 2006/112/EC applied to delivery of goods within Slovakia by foreign person with no permanent establishment within Slovakia.
Reverse charge on local supplies	Yes, applies to construction works; delivery of metal scrap; transfer of immovable property etc. under certain conditions as per Article 69 (12) of the Slovak VAT Act.
Import of services	Standard B2B rule shall be applied between taxable persons, exempt for services under Article 16 of the Slovak VAT Act and based on EU Regulation No. 282/2011.
Deadline and conditions for VAT refund	General deadline for VAT refund shall be by 30 days, following the submission of VAT return of next VAT period
Major Tax exemptions	Applied to selected services, such as postal services, health services, educational services, social services, cultural services, etc.
Real Estate	Transfer of real estate under domestic reverse charge mechanism based on certain circumstances.
Foreign taxable persons (VAT registration)	Yes before commencing a business activity, which is subject to VAT exempt for import of goods. Exemptions

to foreign VAT registration are stated in Article 5 of the Slovak VAT Act.

## Corporate tax

Accounting rules	For companies double entry bookkeeping, Act No. 431/2002 Coll. on accounting and Slovak GAP
Tax rate	General of 21%, since 1 January 2024 for companies/entrepreneurs with turnover less than 60 000 EUR reduced income tax rate of 15%
Tax base	Accounting profit before taxation adjusted by items increasing tax base (tax non-deductible expenses) and by items decreasing tax base as per Act No. 595/2003 Coll. on income taxes as amended.
Tax assessment period	Accounting period - calendar year or financial year
Loss set-offs/ carry forwards	The tax base shall be adjusted for the loss from the 5 preceeding years. Maximum 50% of actual tax base for each year of tax loss. Total maximum amount which can be off-set is 100% of tax base. Loss carry back does not exist in Slovakia
Minimum tax	<p>Set based on the amount of taxable income (earnings)</p> <ul style="list-style-type: none"> <li>• Up to 50 000 EUR 340 EUR</li> <li>• From 50 000 EUR to 250 000 EUR 960 EUR</li> <li>• From 250 000 EUR to 500 000 EUR 1 920 EUR</li> <li>• Above 500 000 EUR 3 840 EUR</li> </ul>
Tax/ accounting depreciation	Accounting depreciations depends on expected lifetime of tangible fixed assets / or expected use of intangible assets. Tax depreciations are stipulated in Slovak Income Tax Act
Tax deductibility of interest, Excessive interest rate rule, Thin-capitalization rule	<p>1<sup>st</sup> rule: in case the amount of interest is more than 3M EUR, tax deductible is only the amount of 30 % of clear cost interest (revenue interest – cost interest)</p> <p>2<sup>nd</sup> rule: The limit for the maximum amount of tax-deductible interest and related fees on credits and loans between related parties is established as 25% of the adjusted EBITDA</p>
Reserves for bad debts, leaves, etc.	Bad debt provisions shall be considered as tax deductible expenses based on provisions of Slovak Income Tax Act. Tax deductible reserves are only for

	unused vacation and related insurance. Other reserves are not tax-deductible.
Other Major tax adjustments a) increasing and b) decreasing taxable profit	The tax base is adjusted for deductible and non-deductible items (such as "patent box" income; representation costs, entertainment expenses, expenses tax deductible after payment etc.)
Transfer pricing, Transfer pricing documentation, Related parties	TP is mandatory, and has to be submitted to Slovak Tax Authority by 15 days upon receipt of the written request (appeal), otherwise Slovak Tax Authority might impose a fine from 30 EUR up to 3 000 EUR, even repeatedly
Withholding tax	Based on Slovak Income tax Act of 7% / 10% / 19% / 35%, in line with appropriate double tax treaty
Interest	Generally 19% / 35%
Royalties	Generally 19% / 35%
Services	Generally 19% / 35%
Group taxation	Each legal entity is separate taxpayer for income tax purposes

## Personal income tax

Taxable income	Active taxable income: 1. Employment activities; 2. Entrepreneurs - physical persons  Passive taxable income: 1. Rent of intangible assets; 2. Income from IP rights; 3. Income from capital gains; 4. Other income
Income from employment/ self-employment	Employment activities shall be levied at 19% with the tax base up to EUR 47 537.98, the tax base above this amount shall be levied at progressive tax rate of 25%  Entrepreneur - physical person with taxable income less than 60 000 EUR may use reduced tax rate of 15% under certain conditions
Income from property and property rights	Tax base up to EUR 47 537.98 – 19 %, the tax base above this amount shall be levied at progressive tax rate of 25%
Income from capital	19%
Other income	With the tax base up to EUR 47 537.98, the tax base above this amount shall be levied at progressive tax rate of 25%
Withholding tax	Generally of 19% (Double tax treaties are applied)

Interest	19%
Royalties	Generally of 19% / 35% depending on respective Double tax treaty and stipulations of Slovak Income tax act.
Dividends	WHT from dividens is applied to physical person of 10% or of 35%, if the person receiving dividends is reside in country, which is on black list of non-cooperating countries with Slovakia
Capital gain	Based on stipulations of double tax treaty and provisions of Slovak income tax act

## Mandatory social contributions

Contribution rates	25.2% social insurance, 11% health insurance paid by the employer from the gross salary
Employed individuals	9.4% social insurance, 4% health insurance paid by the employee from the gross salary
Minimum and maximum contribution for employer	Minimum amount of health insurance is 40.32 EUR, maximum base of 9 128.00 EUR monthly on social insurance, for health insurance is no minimum and maximum base
Self-employed individuals	33.15% social insurance, 15% health insurance
Minimum and maximum contribution for self-employed individuals	Minimum base is 652 EUR, maximum base is 9 128 EUR monthly on social insurance. Minimum base is applicable also on health insurance, the maximum base is not applied on health insurance

## BEPS implementation

<i>CFC for legal entities</i>	Yes, implemented from 1 January 2019
<i>CFC for natural persons</i>	Cancelled in 2023
<i>DAC6</i>	Within 31 August 2020 for period from 25 June 2018 to 30 June 2020. 1st announcement was postponed by 6 months due to Covid-19 to 28 February 2021
<i>CRS</i>	DAC2/CRS was implemented based on Act No. 359/2015 Coll.

<i>Profit shifting rule</i>	ATAD 2 - Hybrid mismatches implemented since 1 January 2020
<i>GAAR/ other anti-abuse rules (PPT, etc)</i>	GAAR already implemented based on ATAD; Exit taxation implemented since 1 January 2019
<i>Pillar 2</i>	Implemented from 1.1.2024, applicable only for companies in CBCr reporting

## Global employment issues

Work and Residence permit	The employees of EU and EHP can be employed the same as Slovak citizens, the employees from third countries need work and residence permit
Minimum salary	750 EUR (4.310 EUR/hour)

## Taxation of immovable property

Tax depreciation	Applicable in case of tangible or intangible fixed assets
Depreciation categories	6 categories plus new category 0 for electromobiles
Land	No depreciation
Building	Category 5 or 6 (20 or 40 years)
Tax base	The depreciation decrease the tax base
Special depreciation	Some property is not subject to depreciation such as land, rivers, caves, etc.
Real estate transfer tax	Transfer tax on real estate has been cancelled
Property tax (rate and base)	Depends on municipality. Each location has different rates
Real estate funds	Depending on UBOs and tax structure of the fund
Owner of the fund assets	Depending on UBOs
Valuation	n/a
Investment	Holding structures with repatriation exemption of 10% under certain conditions
Risk diversification	Depending on tax structure

## Other significant business-related taxes

Description of other taxes	Other direct taxes: Motor vehicle tax, Municipality taxes, Insurance tax; Indirect taxes: Excise duties from electricity, alcohol, beer, wine, gas, tobacco, etc.
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## Incentives

Investment incentives	There is a regional investment incentive - the applications can be submitted mostly for industrial work, technological centers and centers of business services
R&D incentives	<ol style="list-style-type: none"><li>1) Deduction of R&amp;D Costs to support and promote R&amp;D</li><li>2) Patent Box – Income Tax Deduction from the sales of products produced based on a patent</li></ol>
Young employees, elderly employees	Students and elderly employees do not pay the social insurance if the salary is up to 200.00 EUR per month
Educational incentives	For dual education: 3 200.00 EUR per student who worked more than 400 hours/year 1 600.00 EUR per student who worked more than 200 hours/year
Other special incentives/ tax regimes and opportunities for business models (where relevant)	Social insurance relieves when a person on a long term unemployment is employed

## Tax liabilities

	For taxpayers	For directors (chief officers)	For shareholders
<i>Binding opinion/ Advanced tax rulings</i>	It is possible to request a binding opinion from the Financial Directorate (on the application of tax laws in the specific areas)	n/a	n/a

<i>Penalties for late payment of tax</i>	If payment is delayed, interest on the amount owed is charged which is calculated as an annual percentage on the outstanding amount. The penalties levied by the Tax Office will depend on the time elapsed from the deadline for filing the regular tax return to the date of filing the amended tax return or the start of the tax audit, e.g. 3% a year for self-assessment via an amended tax return, 10% a year for an assessment made by the Tax Office during a tax audit. *	n/a	n/a
<i>Tax misdemeanor provisions</i>	The Financial Administration Criminal Office, besides other things, manages duties in connection with the detection of criminal offences involving violations of tax laws in the area of value added tax and excise duties or customs laws	n/a	n/a
<i>Criminal provisions</i>	See "Tax misdemeanor provisions"	n/a	n/a
<i>Piercing the corporate veil</i>	n/a	n/a	n/a
<i>Advanced pricing agreements</i>	Advance pricing agreements are possible only in certain cases e.g. in case of transfer pricing or in case of determining the tax base for a permanent establishment. They are valid for maximum of 5 years.	n/a	n/a

\* Rates 3%, 10% are applicable only in case the basic rete by ECB is lower than 3%. Otherwise the basic rete of ECB and its multiplication is used.

## Deadlines for reporting and payment of taxes and social contributions

Type of tax	Reporting deadline	Payment deadline
CIT	Up to 3 calendar months after the end of tax period (CY/FY) unless the taxpayer announces the prolongation period for next 3 months or 6 months.	Up to 3 calendar months after the end of tax period (CY/FY) unless the taxpayer announces the prolongation period for next 3 months or 6 months.
PIT	Up to 31 March unless the taxpayer announces the prolongation period for next 3 months or 6 months.	Up to 31 March unless the taxpayer announces the prolongation period for next 3 months or 6 months.
VAT	25 <sup>th</sup> day after the end of reporting VAT period (calendar month/calendar quarter)	25 <sup>th</sup> day after the end of reporting VAT period (calendar month/calendar quarter)
Intrastat	15 <sup>th</sup> day after the end of reporting period (calendar month)	n/a
Social contributions	Till the date stated as a payment date on the employees contracts	Till the date stated as a payment date on the employees contracts
Motor vehicle tax	Up to 31 January of following year, prolongation is not allowed	Up to 31 January of following year, prolongation is not allowed



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## About Crowe in Slovakia

Crowe Slovakia serves its clients since 2005 and provides mostly audit, accounting, tax and payroll. It also offers legal services through its partners. Our clients appreciate especially the personalized approach and our professionalism.

## Our Global Reach

In addition to our local and regional services, as members of Crowe Global, we can draw on a worldwide network of independent professionals and their know-how. The Crowe Global network consists of more than 180 independent accounting and advisory services firms in about 140 countries around the world.

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 coupled with the global reach of our network provides us with the local expertise and global worldwide capabilities our clients expect and deserve.