



Amendment to the Value Added Tax Act

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Tax alert: Amendment to the Value Added Tax Act

On 24 April, 2024, the National Council of the Slovak Republic approved an amendment to Act No. 222/2004 Coll. on Value Added Tax ("VAT Act"). Below is a summary of the main changes included in the approved amendment to the VAT Act, effective from 1 January 2025, 1 July 2025, and 1 January 2026.

VAT registration of domestic taxable person

Starting from 1 January 2025, the VAT registration mechanism for domestic taxable persons will change as follows:

- If the turnover exceeds of EUR 50,000 in the current calendar year, a domestic taxable person will become a VAT payer as of 1 January of the following calendar year.
- If the turnover exceeds of EUR 62,500 in the current calendar year, a domestic taxable person will become a VAT payer as of the day when the turnover is exceeded.

The taxable person is required to submit a VAT registration application within 5 working days from the day the respective turnover is exceeded.

VAT registration of foreign entities

From 1 January 2025, a foreign taxable person will become a VAT payer upon conducting a taxable transaction subject to VAT in Slovakia.

The foreign entity must submit a VAT registration application to the Bratislava Tax Office within 5 working days.

Special scheme for small businesses

In order to simplify administrative obligations for small businesses, a new VAT exemption system within the EU will be introduced starting as of 1 January 2025.

Foreign taxable persons will be able to supply goods and services exempt from Slovak VAT without the need for VAT registration, if the following conditions are met:

- Domestic turnover does not exceed EUR 62,500, and the turnover in the previous year did not exceed EUR 50,000.
- EU-wide turnover does not exceed EUR 100,000.
- They apply for a special VAT number with the prefix EX in their home member state.

Domestic taxable persons can supply goods and services without VAT registration in other member states if:

- The turnover in the specified EU member state does not exceed the set local threshold.
- The total EU-wide turnover does not exceed EUR 100,000.
- They apply domestically for a special VAT number with the prefix EX.

Late VAT registration

A taxable person (domestic or foreign) who fails to comply with the registration obligation or who submits a VAT registration application late must file VAT returns and control statements for all periods during which it should have been VAT payer, in chronological order from the first period.

Previously, a single "extraordinary" tax return for all periods was allowed.

Late submission of VAT returns and late payment of VAT liabilities will be penalized. This change applies from 1 January 2025.

Change in the taxation of import of goods

Effective from 1 July 2025, the reverse-charge model will be applied to the import of goods from 3rd countries into Slovakia. A domestic VAT payer (or a declarant acting as an indirect representative) may apply reverse-charge on import of goods through a VAT return if:

- Has a valid VAT ID in Slovakia.
- Has an active status as an Authorized Economic Entity under customs regulations.
- Is established in Slovakia and the customs declaration is submitted on its behalf.

For VAT payers whose customs declaration is submitted under Centralized Customs Clearance, the reverse-charge mechanism on import of goods is effective as of 1 January 2026.

Right to deduct VAT on the IC acquisitions of goods

From 1 January 2025, if there is no formal invoice available for goods acquired from another EU member state, the right to deduct VAT can be proved by other relevant documents from business correspondence with the supplier.

These documents must prove the actual acquisition of the goods by the acquirer and the amount of VAT liability due.

Financial leasing

For lease agreements with a negotiated purchase option entered after 1 January 2025, a uniform VAT assessment will apply.

For leases with a purchase option, VAT will be charged on the total value of the financial lease and will be due at delivery - when the goods are handed over to the lessee, instead of applying VAT on the lease instalments over the lease period.

Other changes in VAT Act

In addition to the above changes, the VAT Act amendment also includes:

- Adjustment of the place of supply of services for virtual or online events.
- Revision of the definition of theft concerning the obligation to adjust deducted VAT.
- Reduction of the value threshold for receipts issued by e-cash registers and fuel dispensers, which are considered invoices (to EUR 400).
- The obligation to return VAT for unpaid liabilities arises in the tax period in which the 101st day after the due date occurs.

If you require more detailed information about specific changes in the VAT Act and their impact on your business, please contact our tax team at Forvis Mazars in Slovakia.

Contact

Kvetoslava Čavajdová, Partner, Tax

kvetoslava.cavajdova@mazars.sk

Ivana Bošková, Senior Manager, Tax

ivana.boskova@mazars.sk

Veronika Moľová, Supervisor, Tax

veronika.molova@mazars.sk

Forvis Mazars

SKY PARK OFFICES 1

Bottova 2A

811 09 Bratislava

Offices: Bratislava, Košice, Nitra, Považská Bystrica

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