



JANUARY 2026

#ACCOUNTING

#TAXES

#AUDIT

www.bpsgroup.sk

Tax and Accounting News



1.

Amendment to the Value Added Tax Act

On 14 January 2026, the Ministry of Finance of the Slovak Republic submitted an amendment to Act No. 222/2004 Coll. on Value Added Tax, as amended (hereinafter referred to as the "Act") with proposed measures to take effect on 1 April 2026 and 1 January 2027.

The aim of the amendment is to make the fight against tax evasion more effective by changing the approach to taxpayers who do not fulfil their legal obligations, while, according to the explanatory memorandum, the proposed measures are not aimed at taxpayers who fulfil their tax obligations responsibly and communicate transparently with tax administrators.

Measures with proposed effectiveness from 1 April 2026

- Extension of the conditions for **voluntary tax registration** to include the obligation to submit documents proving the status of a taxable person with the application, whereby in case of doubt as to the completeness, truthfulness, or accuracy of the information provided in the tax registration application and accompanying documents, the deadline for issuing a registration decision is extended from 21 days to 60 days from the date of receipt of the application. The applicant for tax registration will be informed of any doubts on the part of the tax administrator within 21 days of the date of receipt of their application. According to the explanatory memorandum to the proposed amendment to the law, the check may not be limited to a formal verification of the data and documents submitted with the application, but the tax administrator will also be entitled to request additional data or information relevant to assessing whether the conditions for registration have been met. However, applications for voluntary tax registration submitted by 31 March 2026 would still be processed in accordance with the wording of the law in force until 31 March 2026.
- **Addition of legal grounds on which the tax administrator may cancel tax registration on its own initiative.** From 1 April 2026, the following situations would constitute grounds for cancellation of tax registration:
 - a request for cancellation of registration has been submitted by a taxpayer registered for tax due to exceeding the turnover specified by law (Section 4) or a foreign taxpayer (Section 5) registered for performing activities that are subject to tax, if, after one calendar year from the date on which they became taxpayers, they cease to meet the conditions for registration under the law;
 - the applicant (taxpayer) has ceased to conduct business;
 - there is a reasonable assumption that the taxpayer (with the exception of a foreign taxpayer) has ceased to conduct business, i.e. if the taxpayer has not notified the tax administrator of the place of business even after repeated requests over a period of 6 months, or has stated a place that is only intended for the delivery of correspondence, or if the taxpayer cannot be reached at the place of business even after repeated requests by the tax administrator over a period of 6 months, or if the taxpayer has filed tax returns for the monitored period of 12 consecutive months in which they have not provided any information on taxable transactions or deductible tax;
 - the taxpayer repeatedly fails to participate in tax administration activities for a period of 6 months even after being requested to do so by the tax administrator, fails to provide the tax administrator with the required cooperation, or violates their obligations during a tax audit;
 - the taxpayer repeatedly fails to fulfil the obligation to file a tax return, control statement and/or summary statement, fails to comply with the recording obligation under the Tax Code, or repeatedly fails to pay their own tax liability, without having been granted a deferral of tax payment or payment of tax in instalments;

- the tax administrator finds that the taxpayer has repeatedly issued invoices for the delivery of goods or services that did not take place or has repeatedly claimed tax deductions based on invoices for the delivery of goods or services that did not take place within a period of 24 months.
- Imposing an **obligation to keep and submit records** for the period from 1 April 2026 to 31 December 2026, but for a maximum of 12 calendar months if the tax administrator has reasonable doubts as to whether the taxpayer or person registered for tax will pay any future value added tax underpayment. The content of these records would include, in particular:
 - data reported in the control statement and copies of invoices for the supply of goods and services recorded in the control statement;
 - data from the summary statement and copies of invoices for the supply of goods and services recorded in the summary statement;
 - contracts for the supply of goods or services, orders, insurance contracts or other similar and related documents proving the transfer of the right to dispose of goods as owner or the supply of services;
 - transport documents, in particular transport contracts, bills of lading, delivery notes, customs documents or other similar and related documents proving the transport of goods or persons;
 - documents relating to the deposit or transfer of funds relating to the supply of goods or services, receipts and expenditure documents or other documents proving payment for the goods or services supplied;
 - documents confirming the receipt or dispatch of goods, the place of delivery of goods or the place of supply of services.

Failure to comply with the obligation to keep and submit records may be punished by a fine of between EUR 5,000 and EUR 50,000, depending on the seriousness and duration of the infringement.

Reasonable doubt within the meaning of the draft amendment to the VAT Act

Natural person, who	Legal entity, if
<ol style="list-style-type: none"> 1. has tax arrears totalling EUR 5,000 or more, 2. is the managing director or partner of a legal entity that has tax arrears totalling EUR 5,000 or more, 3. was the managing director or partner of a legal entity that has tax arrears totalling EUR 5,000 or more, where these arrears arose during the period when he or she was the managing director or partner of this legal entity, 4. was the managing director or partner of a legal entity that had tax arrears totalling EUR 5,000 or more on the date of termination, which arose during the period in which he or she was the managing director or partner of this legal entity, 5. his or her tax registration was revoked due to failure to fulfil the obligations specified in the law, 6. a decision on exclusion was issued in accordance with the tax code, whereby the tax office decides on the composition of a tax guarantee during the period of exclusion, 	<ol style="list-style-type: none"> 1. it has tax arrears totalling EUR 5,000 or more, 2. its managing director or partner is a natural person or legal entity that has tax arrears totalling EUR 5,000 or more, 3. its managing director or partner is a natural person or legal entity who was the managing director or partner of another legal entity that had tax arrears totalling EUR 5,000 or more on the date of termination, arising during the period when these persons were managing directors or partners of the said legal entity, 4. its tax registration has been revoked due to failure to fulfil the obligations specified in the law, 5. its managing director or partner is a natural person or legal entity whose tax registration has been revoked, or who is or was a managing director or partner of another legal entity whose tax registration has been revoked, and the facts that were the reason for the revocation of the tax registration occurred during the period in which these persons were executives or partners of the said legal entity,

Reasonable doubt within the meaning of the draft amendment to the VAT Act

Natural person, who	Legal entity, if
<p>7. is or was an executive or partner of a legal entity whose tax registration was revoked, and the circumstances that led to the revocation of the tax registration occurred during the period in which the natural person was an executive or partner of that legal entity,</p> <p>8. is or was an executive or partner of a legal entity whose tax audit was terminated due to the expiry of the entitlement to an excess deduction or the expiry of the entitlement to a tax refund on sweetened non-alcoholic beverages during the period in which the natural person was an executive or partner of this legal entity.</p>	<p>6. its partner is a natural person who has been issued with a decision on exclusion under the Tax Code, whereby the tax office decides on the composition of a tax guarantee during the period of exclusion,</p> <p>7. its managing director or partner is a natural person or legal entity who is or was a managing director or partner of another legal entity a tax audit of which was terminated due to the expiry of the right to an excess deduction or the expiry of the right to a tax refund on sweetened non-alcoholic beverages in the period in which these persons were executives or partners of the said legal entity.</p>

Tax arrears are arrears in value added tax or other taxes administered by the tax office or customs office, excluding late payment interest, interest, and penalties related to these arrears under the Tax Code.

Measures with proposed effective date of 1 January 2027

The essence of the second part of the measures, which would take effect from the beginning of next year, is the reintroduction of a **security deposit for value added tax**. The tax administrator would be entitled to impose a tax security deposit on persons applying for tax registration (both voluntary and mandatory registration), as well as on taxpayers and persons registered for tax, if, based on internal analyses and information obtained in the course of tax administration or based on the results of the activities of the Financial Directorate of the Slovak Republic, it has **reasonable doubts** (according to the table in the previous section) as to whether the persons concerned will be able to pay any future value added tax arrears. In the case of applications for tax registration, the tax administrator would issue a decision on the payment of a security deposit even before the actual tax registration, and in the case of already registered persons for tax and tax payers, the tax administrator could impose an obligation to pay a security deposit only within 12 months of the date when these persons became registered for tax or tax payers. The security would have to be paid within 20 days of delivery of the decision. The legal consequence of failure to pay the tax security for persons applying for voluntary registration would be rejection of the application for registration. In the case of an application for mandatory tax registration, for registered persons or taxpayers, the unpaid tax security deposit or part thereof will be recovered.

The amount of the security would range from **EUR 5,000 to EUR 500,000**, considering the risk of tax arrears arising from reasonable doubt. If the tax security deposit or part thereof is not used within 12 months of the date of its payment to settle the tax arrears and is not used to settle other arrears under the Tax Code, the tax administrator shall return the tax security or part thereof to the person who provided it within 20 days of the expiry of 12 months since the date of its provision.

For tax registration applications submitted by 31 December 2026, the tax administrator may decide on the obligation to deposit a security if no decision has been issued by the end of 2026.

At the same time, if the tax administrator decides in 2026, on the basis of reasonable doubt, to impose a recording obligation and these doubts persist after 1 January 2027, it will be able to decide to impose an obligation to pay a tax security deposit in accordance with the law effective from 1 January 2027. The issuance of a decision on the obligation to pay a tax security deposit will cancel the decision to impose a recording obligation.

The draft amendment to the VAT Act is currently in the comment procedure (comments are being evaluated) and we will keep you informed of further developments.

2.

Guidance from the Ministry of Finance of the Slovak Republic on the taxability of income from computer programmes (software) for taxpayers with limited tax liability

The Ministry of Finance of the Slovak Republic has published new guidelines on its website regulating the interpretation of income arising from the provision of computer programmes (software) to so-called tax non-residents. The guidelines apply to performance or income arising after 31 December 2025, regardless of the date of conclusion of double taxation agreements (hereinafter referred to as "DTA").

In accordance with the updated version of the OECD Model Tax Convention on Income and Capital of 2025 (hereinafter referred to as "MTCIC"), the Slovak Republic no longer applies reservations to Article 12 of the MTCIC or comments to the Commentary on Article 12 concerning the taxation of income from software, and thus expresses its full agreement with the content of the Commentary on the MTCIC in the area of software.

With regard to the not entirely identical wording of the bilateral DTA concluded by Slovakia, as well as various situations in practice, it is always necessary to assess the nature of the rights that are transferred on the basis of contractual relations between the payer of income and the recipient of income. The guideline qualifies income accruing to tax non-residents from software as follows:

1. Provision of software as a service = income pursuant to Section 16(1)(a), (c) or (e) of the Income Tax Act and Article 7 of the DTA

The basic characteristic of assessing payment for software as a service is the provision of access only to the functionality of the software, while the infrastructure remains the property of the software provider, i.e. the customer does not have the source code and cannot change, modify or copy the software in any way. This mainly concerns various databases such as ASPI or streaming media such as Netflix, to which the software provider grants access to multiple customers for a limited period of time. Another important factor is that the customer does not need a license to use the software under the Copyright Act or a similar law applicable abroad.

Such income is generally taxed under the DTA in the country of residence of the actual recipient of the income, unless it is attributable to their permanent establishment in the country of source of income.

2. Granting the right to personal use of software as a product = income pursuant to Section 16(1)(e) of the Income Tax Act and Article 12 of the DTA, or Article 7 of the DTA

Regardless of whether rights for personal use are granted for standardized (so-called boxed) software or for software customized to the specific requirements of the user, income from the granting of rights for personal use of software falls within the scope of income defined in Section 16(1)(e), first point of the Income Tax Act (the so-called industrial license fee). The basic element of this form of granting rights to software is the provision of a copy of copyright-protected software, including the right to install and make copies, or to make necessary modifications for personal use, or use within the user's business activities, which is the most significant difference compared to the first type of transfer of rights. It is also important to note that the user has the right to make copies exclusively for their own use (or use within their activities), not copies for the purpose of resale. In practice, this will include, for example, accounting software or SAP user licenses.

For the purposes of correctly qualifying income accruing to a tax non-resident from such software rights in accordance with the DTA, it is necessary to refer to the specific wording of Article 12 of the DTA.

- If the definition of a license fee in Article 12 of the DTA explicitly includes the term "software," such income falls under this article and will be treated as a license fee for tax purposes.
- However, if software is not included in the definition of a license fee in Article 12 of the DTA, the income falls under Article 7 of the DTA.

Within this category of software rights, it is also added that income from the use (rental) of industrial, commercial, and scientific equipment (e.g. PC games) is considered an industrial license fee under the Income Tax Act and Article 12 of the DTA only if the software is intended and used for the user's industrial, commercial, or scientific activities and if its use within the scope of these activities generates income for the user.

3. Granting the right to commercial use of copyright in software = income under Section 16(1)(e)(ii) of the Income Tax Act and Article 12 of the DTA

This is a narrower definition of the transfer of the right to use software compared to the previous type of transfer, the difference being that in this case the user also acquires the rights to make copies and sell them (important note – distributors who only have the right to distribute/ sell copies of the software, but not to create them, do not fall within this framework). The essence of this transaction is the granting of the right to use copyright, and for this reason the income qualifies as a so-called cultural license fee under Section 16(1)(e)(2) of the Income Tax Act and Article 12 of the DTA.

In these cases, it is not relevant whether the word "software" is explicitly mentioned in Article 12 of the DTA.

4. Transfer (disposal) of copyright to software = Article 13 of the DTA

In this case, there will be a complete transfer (disposal) of copyright to the software (sale, donation, or exchange) if such a transfer is permitted by foreign legislation. The above transaction will not constitute a right to use the copyright (license) to the software.

In accordance with the DTA, such income falls within the scope of income in Article 13 of the DTA and, in general, can only be taxed in the country of residence of the software owner.

5. Provision of a secret formula, secret process, or know-how for software development

This type of transaction is not entirely related to the transfer of rights to software. The provision of a secret formula, secret process or know-how rather involves the use of information about the logic, algorithms or techniques of the software by the software developer, which are not protected by copyright. This is a separate category of license fee that falls within the scope of so-called industrial license fees and is taxed in accordance with Section 16(1)(e)(1) of the Income Tax Act and Article 12 of the DTA.

Finally, it is important to note that the above guidance indicates that, in order to correctly classify income and subsequently tax it, it is always necessary to assess the specific wording of the contract under which a certain form of software rights is granted.

3.

Information materials from the Financial Directorate of the Slovak Republic regarding income tax for legal entities and natural persons

In January, the Financial Directorate of the Slovak Republic published methodological information on corporate and personal income tax, concerning in particular the filing of tax returns for the 2025 tax period, the payment of tax and tax advances in 2026, and the transfer of a portion of the tax paid. Below is an overview of this information, together with links to where it is available.

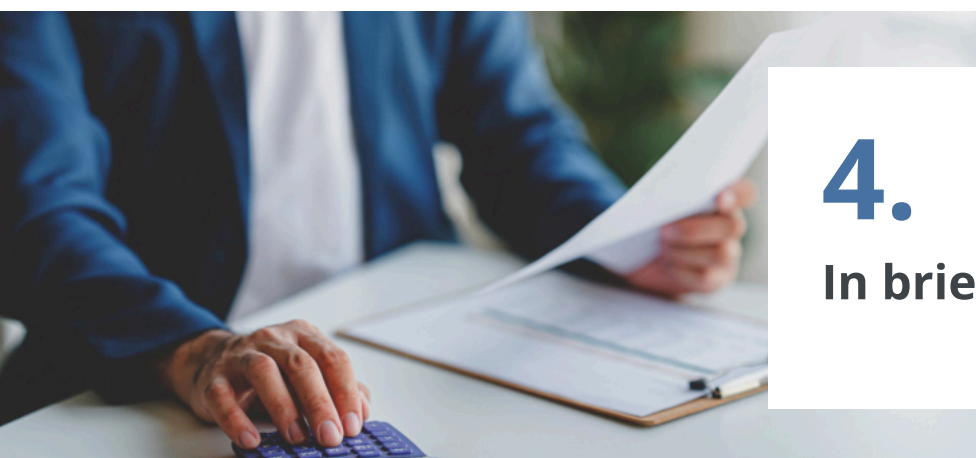
Corporate income tax

- Information on filing corporate income tax returns for the 2025 tax period [7/PO/2026/IM](#)
- Information on the notification of a legal entity regarding the extension of the deadline for filing a tax return pursuant to Section 49(3)(a) or (b) of the Income Tax Act for 2025 [8/PO/2026/IM](#)
- Information on the payment of advance payments for corporate income tax from 1 January 2026 [5/PO/2026/IM](#)
- Information on the payment of income tax from the tax return filed for 2025 [1/PO/2026/IM](#)
- Information on the provision of a share of tax paid by a legal entity in 2026 from the tax liability for 2025 pursuant to Section 50 of the Income Tax Act [2/PO/2026/IM](#)
- Information on tax payment and reporting obligations for cash and non-cash benefits provided to healthcare providers in 2025 [4/PO/2026/IM](#)
- Information on the obligations of the taxpayer when paying profit shares (dividends) to a partner – a natural person who is a resident of the Slovak Republic in 2026 [6/PO/2026/IM](#)
- Information on tax loss deductions and completing Table D of the corporate income tax return form for 2025 [10/PO/2026/IM](#)
- Information on the deduction of research and development expenses (costs) pursuant to Section 30c of the Income Tax Act when filing a tax return for a legal entity after 31 December 2025 [11/PO/2026/IM](#)
- Information for taxpayers not established or founded for business purposes, tax and accounting issues [9/PO/2026/IM](#)
- Information for associations of owners of apartments and non-residential premises – tax and accounting issues [3/PO/2026/IM](#)

Personal income tax

- Information on filing type A income tax returns for natural persons for the 2025 tax period [1/ZČ/2026/IM](#)
- Information on filing type B income tax returns for natural persons for 2025 [7/FO/2026/IM](#)
- Information on the extension of the deadline for filing income tax returns for natural persons for 2025 [4/FO/2026/IM](#)

- Information on the procedure for submitting an application for annual settlement of advance payments for income tax from dependent activity for 2025 [2/ZČ/2026/IM](#)
- Information on the payment of personal income tax from the tax return filed for 2025 [5/FO/2026/IM](#)
- Information on the transfer of the share of tax paid to parents [1/FO/2026/IM](#)
- Information on the transfer of a portion of tax paid by a natural person who files an income tax return for the 2025 tax period [6/FO/2026/IM](#)
- Information on the transfer of the share of tax paid for 2025 for natural persons whose employer has performed an annual settlement of advance payments for income tax from dependent activity [8/FO/2026/IM](#)
- Information on tax payment and reporting obligations for cash and non-cash benefits provided to healthcare providers in 2025 [3/FO/2026/IM](#)
- Information on the taxpayer's obligation to submit notification of the conclusion of a written agreement on the non-collection of withholding tax for 2025 [2/FO/2026/IM](#)



4. In brief, in conclusion

- On 19 January 2026, the Ministry of Finance of the Slovak Republic published preliminary information on the planned amendment to the law on the top-up tax, which indicates that this law is scheduled to be amended in 2026. The amendment should respond to the ongoing development of minimum taxation rules at the OECD level, under which amendments concerning the application of so-called safe harbours were approved and published on 5 January 2026. We will keep you informed about the next stages of the legislative process.
- The Ministry of Finance of the Slovak Republic has published a measure establishing higher basic rates of meal allowances in euros or foreign currency for foreign business trips of mobile employees in road transport from 30 January 2026. The measure can be found at this [link](#).
- In connection with the limitation of input VAT deduction on the purchase/use of selected passenger cars from 1 January 2026 for purposes other than business, the Financial Administration has published a form for Notification of the use of a passenger car (exclusively) for business purposes. Please note that the first reporting obligation in this regard arises for taxpayers for the January 2026 tax period by **25 February 2026**. The notification form can be found at this [link](#).

If you have any further questions or need additional information, feel free to contact us at the following email address

tax@bpsgroup.sk →

* Please note that the above information is of a general and informative nature and should be interpreted within a broader legislative context. For specific cases, we recommend requesting an individual opinion. We do not accept responsibility for any actions taken based on the information provided.