

accace

2014 Tax Guideline for Central and Eastern Europe

***Overview of Taxation System in CEE
Legal Forms of Business & Investment Incentives
Social Security & Labor Law Aspects***





Contents

01 Who is Accace?	3
02 Introduction to 2014 Tax Guideline for CEE.....	4
03 Czech Republic	5
03/01 Legal Forms of Business	
03/02 Social and Health Security	
03/03 General Comments on Labor Law	
03/04 General Rules for Purchasing of Real Estate	
03/05 Investment Incentives	
03/06 Taxation	
03/06/01 Corporate Income Tax (CIT)	
03/06/02 Personal Income Tax (PIT)	
03/06/03 Value Added Tax (VAT)	
03/06/04 Other Taxes	
03/06/05 Tax Calendar 2014	
04 Hungary	13
05 Poland.....	19
06 Romania.....	25
07 Slovakia	34

01 Who is Accace?

Accace has its origin in Central and Eastern Europe. Our founders are entrepreneurs who set out to offer clients top-quality services provided by professionals at reasonable rates. Over the years Accace became one of the most dynamic outsourcing and consulting companies operating within the region.

During past year we set in motion our strategic expansion outside Central and Eastern Europe and began offering services around the globe. Our aim now – and at the request of our clients – is to become an outsourcing and advisory provider for international companies on a truly worldwide basis.

Our service portfolio includes:

- *Accounting & Reporting Services*
- *Payroll & HR Administration Services*
- *Tax Advisory*
- *Corporate & Secretarial & Legal Services*

Where can we help?

With an expanding presence, we continuously improve our global footprint at the request of our loyal customers. Whether company-owned or –affiliated, all branches are closely related, in particular with regard to communication and diligence. We ensure a uniform way of communication, output production and provision of services wherever you will choose Accace.

- Currently Accace has its own operating offices in:
Czech Republic | Germany | Hungary | Poland | Romania | Slovakia | Ukraine | United Kingdom
- Additionally, 12 countries are serviced via trusted and long-time partner firms in:
**Austria | Brazil | Bulgaria | Croatia | China | India | Luxembourg | Netherlands | Russia
Serbia | Slovenia | United States of America**



02 Introduction to 2014 Tax Guideline for CEE

When doing business, especially at international level, a lot of time and effort is spent on ensuring compliance with local legislative frameworks and ever-changing rules. Originating from Central and Eastern Europe and having more than 8 years of experience in helping our clients launch or expand their business in this region makes us a trustworthy source of information about local regulations as well as business environment.

Our intention by preparing this overview is to provide you with initial information on local legislative frameworks in certain CEE countries, comprising the legal forms of business, social and health security systems, labor law specifics, details of taxation systems and other aspects that are important in the light of your investment intentions.

Here at Accace our aim is to help you manage your local and international operations. By providing full range of corporate and outsourcing services, we ensure your transparency and compliance throughout all local jurisdictions, which in return allows you to completely focus on your core business. Our goal is to help make sure your company maintains compliance with all local statutory requirements, your financial operations are transparent and your reporting is accurate.

At Accace we are ready to help you to expand your business abroad and ensure all required support during the entire company's lifecycle.

Contact us

Feel free to contact us, we will be pleased to assist you in Central and Eastern Europe:

- Czech Republic: czechrepublic@accace.com
- Hungary: hungary@accace.com
- Poland: poland@accace.com
- Romania: romania@accace.com
- Slovakia: slovakia@accace.com

...and for more countries please visit www.accace.com

Please note that this publication is only for information purposes and was prepared for general guidance on the matter. Some of the information may have changed after the last update – in January 2014. Furthermore it does not represent a professional advice and Accace does not take any responsibility and is not liable for any potential risks and damages caused by taking actions based on the information provided herein.



03 Czech Republic



Capital: Prague
 Official language: Czech
 Official currency: CZK
 Population: 10.5 million
 Area: 78,864 sqkm
 GDP growth: -1,3% (Q2/2013)

03/01 Legal Forms of Business

Form of business		Minimum capital (approx. in EUR)	The most frequent form of business and reasons for it
English	Czech		
Unlimited Partnership	Veřejná obchodní společnost (v.o.s.)	0	s.r.o. (Limited Liability Company) <ul style="list-style-type: none"> ▪ Low set-up costs ▪ Smooth establishment and registration ▪ Limited liability of the shareholders
Limited Partnership	Komanditní společnost (k.s.)	0	
Limited Liability Company	Společnost s ručením omezeným (s.r.o.)	1,0	
Joint Stock Company	Akciová společnost (a.s.)	72,930	
Branch	Organizační složka	0	

03/02 Social and Health Security

<i>Contribution</i>	<i>Employee</i>	<i>Employer</i>
Social security (pension insurance)	6.5%	21.5%
Social security (sickness insurance)	N/A	2.3%
Social security (unemployment insurance)	N/A	1.2%
Health insurance	4.5%	9.0%
TOTAL	11%	34%

The maximum taxable base for employers and employees is capped at the amount of the monthly average salary multiplied by 48. This applies only to social insurance. Therefore, no maximum taxable base for health insurance is determined for 2014. The maximum annual taxable base for social insurance is approx. EUR 45,404.

03/03 General Comments on Labor Law

<i>Labor law</i>	<i>Czech Republic</i>	<i>Applicable law on labor</i>
Contract type	<ul style="list-style-type: none"> ▪ Labor contract (either for definite or indefinite period) ▪ Agreement for the performance of a work assignment ▪ Agreement on working activity 	<ul style="list-style-type: none"> ▪ Act No. 262/2006 Coll., the Labor Code, as amended
Essential parts of the contract	<ul style="list-style-type: none"> ▪ Type of work ▪ Place of work ▪ The day the employee shall start his / her work (The contract must be concluded in writing) 	
Working time	Maximum of 40 hours per week	
Holiday entitlement per year	20 days per year	

03/04 General Rules for Purchasing of Real Estate

- All types of real estate may be acquired by individuals with permanent residence in the territory of the Czech Republic or legal entities with the registered office in the Czech Republic (resident status) without any restrictions. Starting 18 July 2011, this provision has been extended in relation to foreigners (EU / non EU), so that foreign individuals and legal persons are no more restricted from acquisition of real estate in the Czech Republic.
- Applicable law: Act No. 219/1995 Coll., The Foreign Exchange Act, as amended.

03/05 Investment Incentives

- One of the most successful CEE countries in attracting of foreign direct investment
- Corporate income tax – flat rate of 19%
- Very good geographical position and infrastructure
- Highly educated and skilled workforce
- Low labor costs compared to western countries
- Safe investment environment
- Transparent system of investment incentives



03/06 Taxation

03/06/01 Corporate Income Tax (CIT)

Corporate Income Tax (CIT)	Czech Republic	Applicable law on CIT
CIT rate	19%	▪ Act No. 586/1992 Coll., on Income Taxes, as amended
Advance payments	Quarterly or semi-annually, based on the amount of the last known tax liability <ul style="list-style-type: none">▪ Up to approx. EUR 1,094 of the last known tax liability – no advance payment▪ From approx. EUR 1,094 to approx. EUR5,470 of the last known tax liability – 40% of the tax liability, payable semi-annually▪ Over approx. EUR 5,470 of the last known tax liability – 1/4 of the tax liability, payable quarterly	
Filing the CIT return	A taxable period can be <ul style="list-style-type: none">▪ a calendar year, or▪ a fiscal year (12 consecutive calendar months) Generally, the time period for the submission of the CIT return is three months after the end of the taxable period. If the CIT return is filed by a tax advisor or the taxpayer has the obligation of the statutory audit, the time limit for the submission of the CIT return is six months after the end of the taxable period.	

03/06/02 Personal Income Tax (PIT)

<i>Personal Income Tax (PIT)</i>	<i>Czech Republic</i>	<i>Applicable law on PIT</i>
Personal income tax	<ul style="list-style-type: none"> ▪ Flat rate of 15% ▪ The taxable base for income derived from dependent activities (employment) equals the gross income increased with the social and health security charges paid by employer (generally 34% of the gross income) ▪ Starting 2013, solidarity contribution of 7% applies to specific income (dependent activities, independent entrepreneur) exceeding the average salary multiplied by 48 (approx. EUR 45,404 per a year) 	<ul style="list-style-type: none"> ▪ Act No. 586/1992 Coll., on Income Taxes, as amended
Advance payment	<p>Quarterly or semi-annually based on the amount of the last known tax liability</p> <ul style="list-style-type: none"> ▪ Up to approx. EUR 1,094 of the last known tax liability – no advance payment ▪ From approx. EUR 1,094 to approx. EUR 5,470 of the last known tax liability – 40% of the tax liability, payable semi-annually ▪ Over approx. EUR 5,470 of the last known tax liability – 1/4 of the tax liability, payable quarterly <p>Advance payments from dependent activity (employment) are withheld by employer on a monthly basis</p>	
Filling the PIT	<p>Generally, the time limit for the submission of the PIT return is three months after the end of the taxable period. The PIT taxable period is calendar year.</p> <p>If the PIT return is filed by a tax advisor, the time limit for the submission of the PIT return is six months after the end of the taxable period.</p>	



03/06/03 Value Added Tax (VAT)

Value Added Tax (VAT)	Czech Republic	Applicable law on VAT
Basic rate	21%	<ul style="list-style-type: none"> Act No 235/2004 Coll., on Value Added tax, as amended
Reduced rate	15%	
Threshold for registration	<ul style="list-style-type: none"> Turnover exceeding approx. EUR 36,463 for a period of 12 consecutive calendar months Voluntary VAT registration is possible VAT group registration is possible 	
Taxable period	<ul style="list-style-type: none"> Monthly – generally for newly registered subjects from 2013 Quarterly – voluntary for already registered persons (registered till 2012) if turnover in the preceding calendar year was less than approx. EUR 364,630 also for foreign taxpayers without VAT establishment 	

03/06/04 Other Taxes

Other taxes	Czech Republic	Applicable law on other taxes
Inheritance tax	<ul style="list-style-type: none"> Starting from 2014, Inheritance tax was incorporated to the Income tax (the related income is fully exempt for both natural and legal persons) 	<ul style="list-style-type: none"> Act No. 586/1992 Coll., on Income Taxes, as amended Statutory Measures of the Senate No. 340/2013 Coll. Act No. 338/1992 Coll., on Immovable property Act No. 16/1993 Coll., on Road tax Act No. 353/2003 Coll., on Excise duties
Gift tax	<ul style="list-style-type: none"> Starting from 2014 Gift tax was incorporated to the Income tax Exemptions for relatives are applicable 	
Tax on acquisition of immovable property	<ul style="list-style-type: none"> 4% rate applicable 	
Immovable property tax	<ul style="list-style-type: none"> Applicable to plot of lands and buildings Taxable base usually derives from the size of the object etc. 	
Road tax	<ul style="list-style-type: none"> Applicable to motor vehicles used for business purposes 	
Excise duties	<ul style="list-style-type: none"> Applicable to specific products (e.g. fuel, alcohol, tobacco) 	

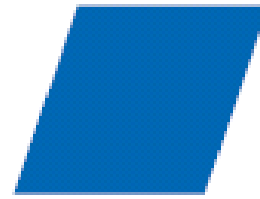
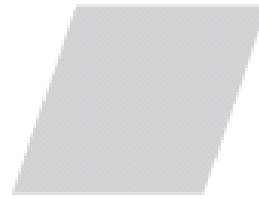
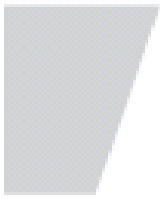
03/06/05 Tax Calendar 2014



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
VAT	Submission of VAT return and payment of VAT for the previous calendar month for tax payers with a monthly tax obligation	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Mo. 29.12.
	Submission of VAT return and payment of VAT for the previous tax period for tax payers with a quarterly tax obligation	Mo. 27.1.			Fr. 25.4.			Fr. 25.7.			Mo. 27.10.		
	Submission of EC sales list for entities which have the obligation to submit the EC sales list for the calendar month	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Mo. 29.12.
	Submission of EC sales list for entities which have the obligation to submit the EC sales list for the calendar quarter	Mo. 27.1.			Fr. 25.4.			Fr. 25.7.			Mo. 27.10.		
	Submission of Intrastat declaration for entities which have the obligation to submit the Intrastat declaration (electronic form)	Fr. 17.1.	Tu. 18.2.	Tu. 18.3.	We. 16.4.	Tu. 20.5.	Tu. 17.6.	We. 16.7.	Mo. 18.8.	Tu. 16.9.	Th. 16.10.	We. 19.11.	Tu. 16.12.
Income tax	Submission of tax return on corporate and personal income tax and payment of tax resulting from the tax return for 2013 (if taxable period is calendar year)				Tu. 1.4.								
	Submission of tax return on corporate and personal income tax if filed by tax advisor or if the company has statutory audit and payment of tax resulting from the tax return for 2013 (if taxable period is calendar year)						Tu. 1.7.						
	Payment of monthly advances for income tax from dependent activity (employment)	Mo. 20.1.	Th. 20.2.	Th. 20.3.	Tu. 22.4.	Mo. 20.5.	Fr. 20.6.	Mo. 21.7.	Tu. 20.8.	Mo. 22.9.	Mo. 20.10.	Th. 20.11.	Mo. 22.12.
	Payment of quarterly advances for corporate and personal income tax			Mo. 17.3.			Mo. 17.6.			Mo. 15.9.			Mo. 15.12.
	Payment of semi-annual advances for corporate and personal income tax						Mo. 17.6.						Mo. 15.12.



		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Road tax	Submission of tax return on road tax for 2013 and payment of the tax resulting from the annual tax return for 2013	Fr. 31.1.											
	Advance payment on road tax				Tu. 15.4.			Tu. 15.7.			We. 15.10.		Mo. 15.12.
Real estate tax	Submission of tax return on real estate tax for 2014	Fr. 31.1.											
	Payment of real estate tax if the tax liability does not exceed EUR 182					Fr. 31.5.							
	Payment of real estate tax if the tax liability exceeds EUR 182						Mo. 2.6.						Mo. 1.12.



04 Hungary



Capital: Budapest

Official language: Hungarian

Official currency: HUF

Population: 9.9 million

Area: 93,030 sqkm

GDP growth (2013): 1%

04/01 Legal Forms of Business

<i>The form of business</i>		<i>The minimum capital</i>	<i>The most frequent form of business and reasons for it</i>
<i>English</i>	<i>Hungarian</i>		
Unlimited partnership	Közkereseti Társaság / Kkt	0	Kft. <ul style="list-style-type: none"> ▪ Low establishment costs ▪ Fast registration ▪ Easier to establish a new standard Kft. than to buy a shell company ▪ Limited liability of the shareholders
Limited partnership	Betéti Társaság / Bt.	0	
Limited Liability Company	Korlátolt Felelősségű Társaság / Kft.	EUR 1,737	
Company Limited by Shares <ul style="list-style-type: none"> ▪ Closed ▪ Public 	Részvénytársaság / Rt.: <ul style="list-style-type: none"> ▪ Zártkörűen működő / Zrt. ▪ Nyilvánosan működő / Nyrt. 	EUR 17,365 EUR 69,462	
Branch Offices	Fióktelep	0	
Representative Offices	Kereskedelmi Képviselet	0	

04/02 Social and Health Security

<i>Payrolls and Contribution</i>	<i>Employee</i>	<i>Employer</i>
Social contribution tax / pension contribution	10%	27%
Health insurance	7%	NA
Unemployment insurance	1.5%	NA
Charges – training contribution	-	1.5%
TOTAL	18.5%	28.5%

04/03 General Comments on Labor Law

<i>Labor law</i>	<i>Hungary</i>	<i>Applicable law on labor</i>
Contract type	Can be concluded for definite and indefinite term.	<ul style="list-style-type: none"> Act on Labor Law (2012. I.)
Contract must include	Type and place of work, start date, remuneration corresponding to type of work, working hours.	
Working time	40 hours per week	
Holiday entitlement per year	20 - 40 days per year (depending on the age of the employee)	
Other comments	The minimum wage in Hungary is EUR 340	



04/04 General Rules on Purchasing of Real Estates

- Foreign individuals wishing to purchase real estate in Hungary must obtain a permit from the Government Agency. Hungarian companies with foreign shareholders can purchase real estate without restrictions
- Concerning citizens and entrepreneurs (including companies) of EEA countries (EU countries + Iceland, Liechtenstein and Norway) and Switzerland do not have to obtain a permit to acquire real estate or shares in companies which are owners of real estate unless the real estate comprises forest or agricultural land

04/05 Advantages of Investing (Investment Incentives)

- Preferential corporate income tax rate (corporate income tax rate: 10%)
- Development benefits (tax and other benefits) for significant investments
- Research and development benefits for eligible entities
- Tax incentives for royalty income
- Tax benefits for supporting certain organisations (film production companies, sport organisations)



04/06 Taxation System

04/06/01 Corporate Income Tax (CIT), Local Business Tax (LBT)

Corporate Income Tax (CIT), Local business tax (LBT)	Hungary	Applicable law on CIT and LBT
CIT	19%	<ul style="list-style-type: none"> Act on Corporate Income Tax (Act LXXXI. 1996) Act on local taxes (Act C. 1990)
Reduced CIT	*10%	
Local business tax	**max. 2%	
Advance payments	Until 20.12. – minimum 90% of income tax and local tax	
Filling the CIT, LBT tax return	Until 31.05. / within 150 days	
Tax benefits	Development tax benefit, incentives provided to sport organizations / film production companies	

*For taxable base lower than EUR 1,736,666

** On the basis of the adjusted net sales revenue

04/06/02 Personal Income Tax (PIT)

Personal Income Tax (PIT)	Hungary	Applicable law on PIT
Minimum wage	EUR 323	<ul style="list-style-type: none"> Act on Personal Income Tax (Act CXVII. 1995)
Average wage	EUR 815	
Personal income tax	16%	
Tax benefits	Child care benefit, sickness benefit	

04/06/03 Value Added Tax (VAT)

Value Added Tax (VAT)	Hungary	Applicable law on VAT
Basic rate	27%	<ul style="list-style-type: none"> Act on Value Added Tax (Act CXXVII. 2007)
Reduced rate	5% and 18%	
Registration	Mandatory	
Quarterly payer	Basic registration	
Monthly payer	Obligation / deduction over EUR 3,472	
Yearly payer	Obligation / deduction up to EUR 868 / year (without EU VAT number)	

04/06/04 Other Taxes

Other taxes	Hungary	Applicable law on other taxes
Property tax	Max. 3% of the adjusted value of the property	<ul style="list-style-type: none"> Act on local taxes (Act C. 1990) Act on duties (Act XCIII. 1991)
Inheritance duty	0 – 18%	
Gift duty	0 – 18%	
Innovation contribution	*0.3%	
Real estate transfer duty	4%	

* On the basis of the adjusted net sales revenue



04/06/01 Tax Calendar 2014



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
VAT	Submission of VAT tax return and payment of VAT for the previous calendar month for tax payers with a monthly tax obligation	Mo. 20.1.	Th. 20.2.	Th. 20.3.	Mo. 21.4.	Tu. 20.5.	Fr. 20.6.	Mo. 21.7.	We. 20.8.	Mo. 22.9.	Mo. 20.10.	Th. 20.11	Mo. 22.12
	Submission of VAT return and payment of VAT for the previous tax period for tax payers with a quarterly tax obligation	Mo. 20.1.			Mo. 21.4.			Mo. 21.7.			Mo. 20.10.		
	Submission of VAT tax return on annual basis		Tu. 25.02										
Income tax	Submission of tax return on corporate and local business for 2013					Fr. 31.5.							
	Payment of the corporate income tax advance payments for 2013, 2014 with monthly obligation	Mo. 20.1.	Th. 20.2.	Th. 20.3.	Mo. 21.4.	Tu. 20.5.	Fr. 20.6.	Mo. 21.7.	We. 20.8.	Mo. 22.9.	Mo. 20.10.	Th. 20.11	Mo. 22.12
	Payment of the corporate income tax advance payments for 2013, 2014 with quarterly obligation	Mo. 20.1.			Mo. 21.4.			Mo. 21.7.			Mo. 20.10.		Mo. 22.12.
	Payment of the local business tax advances			Mo. 17.3.						Mo. 15.9.			Mo. 22.12.
	Payment of monthly advances for personal income tax, social security contribution by the employer	Mo. 13.1.	We. 12.2.	We. 12.3.	Mo. 14.4.	Mo. 12.5.	Th. 12.6.	Mo. 14.7.	Tu. 12.8.	Fr. 12.9.	Mo. 13.10.	We. 12.11	We. 12.12.
	Submission of the personal income tax return for 2013					Tu. 20.5.							
	Payment of the difference resulting from advance payments of corporate income tax and local business tax (for the period January - December) - if the advances are less than the amount in fact					Fr. 2.06.							



05 Poland



Capital: Warsaw
 Official language: Polish
 Official currency: PLN
 Population: 38.5 million
 Area: 312,679 sqkm
 GDP growth: 2.8%

05/01 Legal Forms of Business

<i>The form of business</i>		<i>The minimum capital</i>	<i>The most frequent form of business and reasons for it</i>
<i>English</i>	<i>Polish</i>		
Sole proprietorship	jednoosobowa działalność gospodarcza	0	Sp. z o.o. <ul style="list-style-type: none"> ▪ Low establishment costs ▪ Minimum share capital EUR 1,160 ▪ Easy establishment ▪ Limited liability of the shareholders
Registered partnership	Spółka jawna / sp.j.	0	
Professional partnership	Spółka partnerska / sp.p.	0	
Limited partnership	Spółka komandytowa / sp.k.	0	
Limited joint-stock partnership	Spółka komandytowo-akcyjna / S.K.A.	0	
Limited liability company	Spółka z ograniczoną odpowiedzialnością / sp. z o.o.)	EUR 1,200	
Joint-stock company	Spółka akcyjna / S.A.	EUR 24,000	
Branch office	Oddział przedsiębiorcy zagranicznego	0	
Representative office	Przedstawicielstwo	0	

05/02 Social and Health Security

<i>Payrolls and Contribution</i>	<i>Employee</i>	<i>Employer</i>
Retirement pension contribution	9.76%	9.76%
Pension contribution	1.5%	6.5%
Sickness contribution	2.45%	NA
Disability pension	NA	0.67% - 3.86%
Health insurance	9%	NA
Employment Fund	NA	2.45%
Fund of Guaranteed Employment Benefits	NA	0.10%
TOTAL	22.71%	19.48% – 22.67%

05/03 General Comments on Labor Law

<i>Labor law</i>	<i>Poland</i>	<i>Applicable law on labor</i>
Contract type	Trial period, definite term, indefinite period, to perform a specific task, fixed-term if replacing an employee during his justified absence from work	<ul style="list-style-type: none"> ▪ Labor Law Code as of 26th of June 1974
Contract must include	Parties, type of contract, date of the contract conclusion, work and remuneration conditions which are: the nature of the work, the place of work, the amount of remuneration for work corresponding to the type of the work, including individual components of remuneration, working time, the date of commencement of work	
Working time	40 hours per week	
Holiday entitlement per year	20 or 26 days per year depending on employment period	

05/04 General Rules on Purchasing of Real Estates

- The agreement has to be concluded in a form of notarial deed. Agreement concluded in another form is invalid
- Foreigners (individuals and entities) wishing to purchase real estate in Poland must obtain a permit from the Minister of Internal Affairs and Administration
- Concerning citizens and entrepreneurs (including companies) of EEA countries (EU countries + Iceland, Liechtenstein and Norway) and Switzerland do not have to obtain a permit to acquire real estate or shares in companies which are owners or perpetual usufructuaries of real estate unless the real estate comprises forest or agricultural land – this restriction will continue to apply until 2nd of May 2016 (there are, however, some additional exceptions to this restriction, namely unrestricted acquisition of agricultural or forest land is enjoyed by tenants from the EEA and Switzerland that have used the land under lease agreements (umowa dzierżawy) for a minimum of 3 or 7 years, depending on the location of the land and subject to certain other conditions)

05/05 Advantages of Investing (Investment Incentives)

- Stable economic growth
- Corporate income tax - competitive flat rate 19%
- Strong consumer market - one of the biggest in Europe
- The main communication routes intersect in Poland
- Wide range of investment incentives - 14 Special Economic Zones (SEZ). i.e. special zones where economic activity may be run in favourable conditions
- Highly educated and experienced employees – engineers, IT specialist, scientists and economists
- Real estate tax incentives provided by municipalities
- EU subsidies for the companies



05/06 Taxation System

05/06/01 Corporate Income Tax (CIT)

Corporate Income Tax (CIT)	Poland	Applicable law on CIT
CIT	19%	<ul style="list-style-type: none">Act of 15 February 1992 on Corporate Income Tax
Advance payments	Monthly - until 20 th day of each month	
Filling the CIT return	3 months after the end of fiscal year	

05/06/02 Personal Income Tax (PIT)

Personal Income Tax (PIT)	Poland	Applicable law on PIT
Minimum wage	EUR 400 gross	<ul style="list-style-type: none">Act of 26 July 1991 on Personal Income Tax
Average wage	EUR 877 gross	
Personal income tax	18% for the yearly revenue up to EUR 20 000 and 32% for the yearly revenue above EUR 20 000	

05/06/03 Value Added Tax (VAT)

Value Added Tax (VAT)	Poland	Applicable law on VAT
Basic rate	23%	<ul style="list-style-type: none">Act of 11 March 2004 on Goods and Services Tax
Reduced rate	0%, 5% and 8%	
Registration	Mandatory	
Monthly payer	Basic registration	
Quarterly payer	The possibility to submit quarterly VAT return depends on the prior written notification to the Head of the Tax Office	
Exemption	Exemption if the taxable turnover less than EUR 37,500 in previous fiscal year	

05/06/04 Other Taxes

Other taxes	Poland	Applicable law on other taxes
Property tax	Determined by proper municipality council	<ul style="list-style-type: none"> ▪ Local Taxes and Duties Act as of 12 January 1991 ▪ Inheritance and Gift tax Act of 28 July 1983 ▪ Act of 9 September 2000 on Tax on Civil Law Transactions ▪ Act of 30 October 2002 on Forest Tax ▪ Act of 15 November 1984 on Agricultural Tax ▪ Act of 19 November 2009 on Gambling ▪ Act of 25 August 2006 on Tonnage Tax ▪ Act of 27 October 1994 on paid highways and National Road Fund ▪ Announcement of the Minister of Transport of 16 December 2011 on Fuel Duty ▪ Announcement of the Minister of Environment of 16 September 2011 on the Environment Usage Duty ▪ Act of 11 May 2011 on the Entrepreneurs Duties Regarding the Management of Wastes and Product duty ▪ Regulation of the Minister of Environment of 29 December 2010 on the Product Duty Rates
Inheritance and gift tax	0% - 20% depending on tax group and gift / inheritance value	
Tax on civil law transactions	0.1% - 2%	
Agriculture tax	Depending on the market price of rye (price for 2.5 q or 5 q of rye for 1 ha)	
Forest tax	Depending on the marker price of wood	
Tax on transport vehicles	Determined by proper municipality council	
Gambling tax	10% - 50%	
Tonnage tax	19%	
Fuel duty	EUR 24 (PLN 104,20) for 1000 l of fuel EUR 61.60 (PLN 262,52) for 1000 l of diesel oils EUR 32.28 (PLN 134,44) for 1000 kg of gas	
Environment usage duty	Determined in the attachments to the Announcement of the Minister of Environment	
Products duty	Determined by the Regulation of the Minister of Environment	



05/06/01 Tax Calendar 2014



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
VAT	Submission of VAT tax return and payment of VAT for the previous calendar month for tax payers with a monthly tax obligation	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10	Tu. 25.11	Mo. 29.12
	Submission of VAT return and payment of VAT for the previous tax period for tax payers with a quarterly tax obligation	Mo. 25.1			Fr. 25.4.			Fr. 25.7.			Mo. 27.10		
	Submission of EC Sales List for taxpayers which have the obligation to submit EC Sales List for the calendar month	We. 15.1.	Mo. 17.2.	Mo. 17.3.	Th. 15.4.	Th. 15.5.	Mo. 16.6.	Tu. 15.7.	Fr. 15.8.	Mo. 15.9.	We. 15.10	Mo. 17.11.	Mo. 15.12.
	Submission of EC Sales List for taxpayers which have the obligation to submit EC Sales List for the calendar quarter	We. 15.1.			Tu. 1.4			Tu. 15.7.			We. 15.10		
Income tax	Submission of tax return on corporate income tax and payment of tax resulting from the tax return for 2013				Tu. 1.4.								
	Submission of tax return on personal income tax and payment of tax resulting from the tax return for 2013				We. 30.4.								
	Payment of monthly advances for income tax by legal entities and natural persons conducting business activity	Mo. 20.1.	Th. 20.2.	Th. 21.3.	Mo. 21.4.	Tu. 20.5.	Fr. 20.6.	Mo. 21.7.	We. 20.8.	Mo. 22.9.	Mo. 20.10	Th. 20.11.	Mo. 22.12.
	Payment of quarterly advances for income tax by legal entities and natural persons conducting business activity	Mo. 20.1.			Mo. 21.4.			Mo. 21.7.			Mo. 20.10		
	PIT installments paid by employer	Mo. 20.1.	Th. 20.2.	Th. 21.3.	Mo. 21.4.	Tu. 20.5.	Fr. 20.6.	Mo. 21.7.	We. 20.8.	Mo. 22.9.	Mo. 20.10	Th. 20.11.	Mo. 22.12.



06 Romania



Capital: Bucharest
 Official language: Romanian
 Official currency: RON
 Population: 20.12 million
 Area: 238,391 sqkm
 GDP growth: 3% (2013)

06/01 Legal Forms of Business

<i>The form of business</i>		<i>The minimum capital</i>	<i>The most frequent form of business and reasons for it</i>
<i>English</i>	<i>Romanian</i>		
Subsidiary	Filiala	Same conditions as the parent company	SRL <ul style="list-style-type: none"> ▪ Low establishment costs ▪ Low minimum share capital ▪ Fast registration ▪ Limited liability of shareholders
General partnership company	Societate in nume colectiv	The law does not specify a minimum limit	
Limited partnership company	Societate In comandita simpla	The law does not specify a minimum limit	
Limited joint-stock partnership company	Societate in comandita pe actiuni	The equivalent of EUR 25,000	
Limited liability company	Societate cu raspundere limitata (SRL)	The equivalent of EUR 45	
Joint-stock company	Societate pe actiuni (SA)	The equivalent of EUR 25,000	
Branch office	Sucursala	0	
Representative office	Reprezentanta	0	

06/02 Social and Health Security

<i>Payrolls and Contribution</i>	<i>Employee</i>	<i>Employer</i>
Health insurance	5.5%	5.2%
Social (Pension) contribution	10.5%*	20.8%**
Sickness contribution	NA	0.85%***
Unemployment fund	0.5%	0.5%
Accident Fund	NA	0.15% - 0.85%
Fund of Guaranteed Employment Benefits	NA	0.25%
TOTAL	16.5%	27.75% – 28.45%

* Maximum base = 5* average salary

** Maximum base = number of employees*5* average salary

*** Maximum base = number of employees*12* minimum salary

06/02/01 Salary

<i>Type of salary</i>	<i>Amount in EUR</i>	
	<i>January 2014 – June 2014</i>	<i>July 2014 – December 2014</i>
Monthly minimum gross salary	193*	205*
Average gross salary	522*	522*

*estimation 4.4 Ron/Euro



06/03 General Comments on Labor Law

Labor law	Romania	Applicable law on labor
Contract type	Definite term, indefinite period, home work, part time work, temporary agent	<ul style="list-style-type: none"> Labor Law Code Republished on 18th of May 2011
Contract must include	Parties, duration of the contract if the contract is a definite type or if is conclude by means of temporary agent, date of the contract conclusion, work and remuneration conditions, the place where the work is performed, evaluation criteria of the employee, the occupation, the risks of the job, number of vacation days, number of days applicable for the notice, number of working hours per day and per week, probationary period, the date of commencement of work	
Working time	40 hours per week	
Holiday entitlement per year	Minimum 20 working days	

06/04 General Rules on Purchasing of Real Estates

- The agreement has to be concluded in authenticated form by a public notary. Agreements concluded in another form are null and void
- All foreigners can acquire buildings in Romania
- Starting 1st of January 2012 EU citizens can also acquire the land beneath the building, if the building is purchased in residential purposes or as secondary premises
- Limitations imposed by legislation for acquiring agricultural land, forests and forestry land.
- EU farmers who develop independent activities and establish their residence in Romania are not subject to the limitations above regarding agriculture and forestry land and they acquire land starting from 1st of January 2007
- The same situation applies to stateless persons that are domiciled in Romania
- Non EU members can acquire land in Romania only based on international and bilateral conventions



06/05 Advantages of Investing (Investment Incentives)

- Corporate income tax - competitive flat rate 16%
- Strong consumer market
- Highly educated and experienced employees – engineers, IT specialist and economists
- 50% supplementary deduction for corporate income tax purposes applicable to eligible R&D activities
- 5% reduced VAT rate for real estate transactions under certain conditions
- Subsidies granted by the State for hiring fresh graduates
- Income tax exemption for IT programmers under certain conditions
- Tax losses - Significant carry forward period (7 years)
- EU subsidies for the companies

06/06 Taxation System

06/06/01 Corporate Income Tax (CIT)

Starting from 1 January 2014, taxpayers can opt for a fiscal year corresponding to a financial accounting year which could be different from the calendar year.

Corporate Income Tax (CIT)	Romania	Applicable law on CIT and LBT
CIT rates	The standard rate for corporate income tax for Romanian companies is 16%. Income derived by companies from night bars, nightclubs, discos, casinos and sports betting directly or in association, is taxable at a rate of 5% if the corporate income tax due is lower than 5% of the, income derived from such activities.	<ul style="list-style-type: none"> ▪ Fiscal Code Law 571/2003 and the related methodological Norms – Government Decision 44/2004
Quarterly or annually payment	Companies are required to pay CIT liabilities quarterly and at year end; at quarterly level CIT liabilities are determined based on the figures within the quarter; at year end a calculation and regularization of annual CIT is made. Romanian banks apply a different system i.e. the quarterly liabilities are not determined based on the figures within the quarter, instead the quarterly liabilities are determined by reference to the previous year annual CIT liability divided by four. Starting from 1 January 2013, taxpayers (with certain exceptions, including Romanian banks) may opt to declare and pay annual corporate income tax, with advance payments, performed quarterly. The payment deadline in such case would be 25 March of subsequent year.	

<i>Corporate Income Tax (CIT)</i>	<i>Romania</i>	<i>Applicable law on CIT and LBT</i>
Filling the CIT declarations	<p><i>Under the profits tax law, profits tax payers (companies, branches, permanent establishments, etc) must file tax return quarterly by 25th day of the first month following the quarter.</i></p> <p>The annual profits tax return must be filed by 25th of March of the following year.</p>	
Tax benefits	<p><i>Tax depreciation.</i> The Fiscal Code allows companies to claim accelerated depreciation in certain circumstances.</p> <p><i>Sponsorship:</i> The Fiscal Code allows “sponsorship” expenses to be claimed as a credit against profits tax due, subject to certain limitations. The tax credit for sponsorship expenses is limited to the lower of the following:</p> <ul style="list-style-type: none"> ▪ 0.3% of the company’s turnover ▪ 20% of the profits tax due <p>Sponsorship expenses that were not deducted for corporate income tax purposes may be carried forward for seven consecutive years. <i>Research and development costs.</i> Taxpayers can benefit from an additional allowance amounting to 50% of eligible costs for research and development activities (i.e. 150% deduction).</p> <p><i>Thin-cap rules.</i> Interest and FX loss expenses that are deemed as non-deductible for CIT purposes in one year due to debt-equity ratio higher than 3 or negative, can be carried forward up to their full deduction..</p>	

06/06/02 Personal Income Tax (PIT)

<i>Personal Income Tax (PIT)</i>	<i>Romania</i>	<i>Applicable law on PIT</i>
Personal income tax	16%	<ul style="list-style-type: none"> ▪ Fiscal Code Law 571/2003 and the related methodological Norms –Government Decision 44/2004
Tax benefits	<p>Flat tax rate</p> <p>General tax-free allowance</p> <p>Income tax exemption for the employees performing programming activities under certain conditions.</p>	

06/06/03 Withholding Tax (WHT)

Withholding Tax	Romania	Applicable law on PIT
Rates	<p>16% for most of the revenues obtained by non-residents from Romania, except for revenues obtained from gambling for which 25% rate applies</p> <p>50% for certain revenues as stated within the law, if the revenues are paid in a state with which Romania does not have concluded a legal instrument for exchange of information and if the revenues are paid following performing a transaction that is qualified as artificial</p> <p>For certain specific categories of revenues, exemptions are available under certain conditions</p>	<ul style="list-style-type: none"> Fiscal Code Law 571/2003 and the related methodological Norms –Government Decision 44/2004

06/06/04 Value Added Tax (VAT)

Value Added Tax (VAT)	Romania	Applicable law on VAT
Standard rate	24%	<ul style="list-style-type: none"> Fiscal Code Law 571/2003 and the related methodological Norms –Government Decision 44/2004
Reduced rate	<p>5% or 9% - for certain goods and services</p> <p>Sundry exemptions are available for specific goods/ services (e.g. financial – banking services, insurance services, real estate transactions, etc.)</p>	
Registration	<p>The threshold for mandatory VAT registration for a taxable entity with Romanian place of business activity, is turnover above EUR 65,000.</p> <p>Voluntary Romanian VAT registration is not allowed for non-resident companies.</p>	
Tax period	<p>Month or quarter</p> <p>Under certain exceptional cases, another fiscal period could be used (i.e. semester, year).</p>	



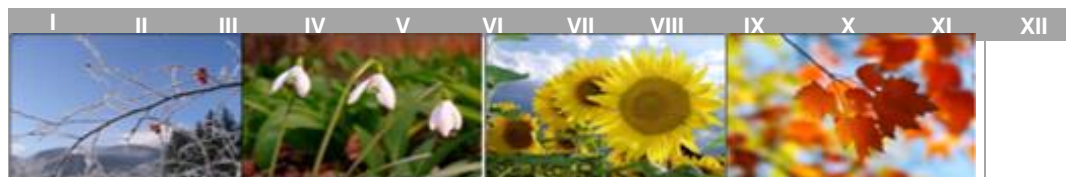
<i>Value Added Tax (VAT)</i>	<i>Romania</i>	<i>Applicable law on VAT</i>
Cash accounting mechanism	<p>Cash accounting mechanism applicable for businesses generating an annual turnover not exceeding EUR 500,000. The system consists in the fact that the VAT is deducted, collected respectively, at the moment when the invoices received or issued are settled (paid).</p> <p>Certain taxpayers are excluded from this system irrespective of the level of threshold.</p> <p>Starting from 1 January 2014, this system becomes optional.</p>	<ul style="list-style-type: none"> Fiscal Code Law 571/2003 and the related methodological Norms –Government Decision 44/2004

06/06/01 Tax on Constructions

<i>Tax on constructions</i>	<i>Romania</i>	<i>Applicable law for tax on construction</i>
Starting from 1 January 2014, most of the Romanian legal entities will be obliged to pay tax on construction. This tax applies to certain categories of constructions from different business sectors, such as agriculture, energy, telecom etc.		<ul style="list-style-type: none"> Fiscal Code Law 571/2003 and the related methodological Norms –Government Decision 44/2004
Rate	1.5% applied to the constructions value existing at 31 December of the previous year	
Tax treatment of expense	Deductible at profit tax computation	
Declaration	By 25 May of the year for which the tax is due	
Payment	Possibility for payment in two equal installments: by 25 May and 25 September	



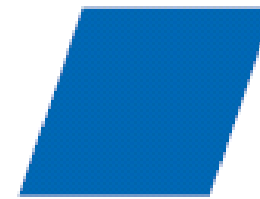
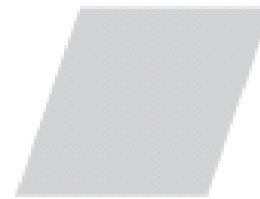
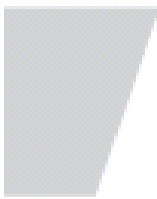
06/06/01 Tax Calendar 2014



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
VAT	Submission of VAT return and payment of VAT for the previous month for monthly tax payers(Form 300)	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Th. 25.12.
	Submission of VAT return and payment of VAT for the previous quarter for quarterly tax payers (Form 300)	Mo. 27.1.			Fr. 25.4.			Fr. 25.7.			Mo. 27.10.		
	Submission of Local Sales and Purchases List for the previous calendar month for monthly tax payers(Form 394)	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Th. 25.12.
	Submission of Local Sales and Purchases List for the previous quarter for quarterly tax payers(Form 394)	Mo. 27.1.			Fr. 25.4.			Fr. 25.7.			Mo. 25.10.		
	Submission of EC Sales and Purchases Listfor the previous calendar month for both monthly or quarterly tax payers (Form 390) – only for the months where intra-community transactions are carried out	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Th. 25.12.
	Submission of Intrastat Statement for the previous calendar month by tax payers – only if certain thresholds are exceeded for intra-community transactions of goods (i.e. RON 500,000 for arrivals and RON 900,000 for dispatches)	We. 15.1.	Sa. 15.2.	Sa. 15.3.	Tu. 15.4.	Th. 15.5.	Su. 15.6.	Tu. 15.7.	Fr. 15.8.	Mo. 15.9.	We. 15.10.	Sa. 15.11.	Mo. 15.12.
	Submission of Informative Statement regarding turnover of taxable persons having the fiscal period the quarter and which did not perform intra-community acquisitions of goods in previous year (Form 094)	Mo. 27.1.											



		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
VAT	Submission of Informative Statement regarding the deliveries of services and supplies of services performed in 2013 (Form 392A) This form relates to taxable persons registered for VAT purposes in Romania under normal conditions for whom the turnover registered at the end of calendar year is below the threshold of EUR 35,000		Tu. 25.2.										
	Submission of Informative Statement regarding the deliveries of goods and supplies of goods performed in 2013 (Form 392B) This form relates to taxable persons not registered for VAT purposes in Romania under normal conditions for whom the turnover registered at the end of calendar year (with certain exceptions) is below the threshold of EUR 35,000		Tu. 25.2										
	Excise return for 2013 (Form 120)				We. 30.4.								
	Tax return related to oil and gas from internal production for 2013 (Form 130)				We. 30.4.								
Corporate and income tax	Submission of annual corporate income tax return for 2013			Tu. 25.3.									
	Submission of the tax declarations regarding the social contributions, income taxes and the evidence of the insured persons due by companies for the previous month and payment of the income tax and said charges (Form 112)	Fr. 24.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Fr. 23.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Fr. 24.10.	Tu. 25.11.	We. 24.12.
	Submission of the Statement regarding the payment liabilities to the State Budget - (Form 100) *For monthly obligations	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Th. 25.12.



07 Slovakia



Capital: Bratislava
 Official language: Slovak
 Official currency: Euro
 Population: 5.4 million
 Area: 49,036 sqkm
 GDP growth: 0,9% (2013)

07/01 Legal Forms of Business

<i>The form of business</i>		<i>The minimum capital</i>	<i>The most frequent form of business and reasons for it</i>
<i>English</i>	<i>Slovak</i>		
General commercial partnership	Verejná obchodná spoločnosť (v.o.s.)	NA	Ltd. / s.r.o. <ul style="list-style-type: none"> ▪ Low minimum capital ▪ Limited liability of shareholders ▪ Low operating costs ▪ Fast registration procedure
Limited partnership	Komanditná spoločnosť (k.s.)	EUR 250 / minimum deposit of limited partner	
Limited liability Company	Spoločnosť s ručením obmedzeným (s.r.o.)	EUR 5,000 EUR 750 / minimum deposit of limited partner	
Joint stock company	Akciová spoločnosť (a.s.)	EUR 25,000	
Co(-)operatives	Družstvo	EUR 1,250	
Trade	Živnosť	NA	

07/02 General Social and Health Security

<i>Payrolls and Contribution</i>	<i>Employee</i>	<i>Employer</i>
Retirement pension insurance	4.00%	14.00%
Disability insurance	3.00%	3.00%
Reserve fund	-	4.75%
Sickness insurance	1.40%	1.40%
Accident insurance	-	0.80%
Unemployment insurance	1.00%	1.00%
Fund of guaranteed employment benefit	-	0.25%*
Health insurance	4.00%	10.00%
TOTAL	13.4%	35.2%

* 0% if the employee is consider as a statutory body or as a member of statutory body and is owning at least 50% of the company

07/02/01 Minimum Wages

<i>Type of wage</i>	<i>Amount in EUR</i>
Monthly minimum wage	352 *
Hourly minimum wage	2,023 *

* *Applicable for the year 2014*

07/03 General Comments on Labor Law

Labor law	Slovakia	Applicable law on labor
Contract type	Fixed-term contract, contract for indefinite period of time, contract on reduced working hours, contract on home-work and tele-work, temporary assignation agreement, work performance agreement, agreement on work activity, agreement on student job	<ul style="list-style-type: none"> ▪ Act No. 311/2001 Coll. Labor Code ▪ Act No. 461/2003 Coll. on social insurance ▪ Act No. 663/2007 Coll. on minimum salary ▪ Act No. 283/2002 Coll. on travel expenses ▪ Act No. 124/2006 Coll. on safety and health protection at work ▪ Act 82/2005 Coll. on illegal work and illegal employment ▪ Act No. 125/2006 Coll. on labor inspection and
Contract must include	Job description, place of work, start date, payment conditions, pay day, working hours, holiday duration, length of termination notice period	
Working time	40 hours per week (maximum of 48 or 56 hours per week in average)	
Holiday entitlement per year	20 days and 25 days in case of employee of 33 years and older	
Other comments	Trial period (3 or 6 months), statutory rules in case of employment termination, termination period (minimum of 1, 2 or 3 months)	

07/04 General Rules on Purchasing of Real Estates

Foreign entities (natural or legal) can purchase almost any real estate in Slovakia, except from:

- Land belonging to the Agricultural or Forest Land Sources located outside district build-up area (some exceptions are allowed)
- Specific real estate property purchase of which is limited by law (e.g. caves, rivers, cultural heritage and so on)

07/05 Taxation System

07/05/01 Corporate Income Tax (CIT)

Corporate Income Tax (CIT)	Slovakia	Applicable law on CIT and LBT
CIT	<p>22% from tax base decreased by tax loss.</p> <p>The companies have to pay a tax licence. The tax licence represents the minimum lump sum tax after deduction of tax relief and credit of taxes paid abroad. The respective amounts will range from EUR 480 to EUR 2,880 depending on the entity's turnover and whether the entity is a VAT payer</p>	<ul style="list-style-type: none"> ▪ Act No. 595/2003 Coll. on Income Tax
Advance payments	<p>Quarterly or monthly based on amount of tax paid for previous year</p> <ul style="list-style-type: none"> ▪ Quarterly – tax paid for previous year between EUR 2,500 – EUR 16,600 ▪ Monthly – more than EUR 16,600 	
Filing the CIT return	<p>The deadline for filing CIT is by the end of third month following the end of the tax period.</p> <p>Generally the corporate tax period can be</p> <ul style="list-style-type: none"> ▪ a calendar year, or ▪ fiscal year (12 consecutive calendar months) <p>A taxpayer can extend the filing deadline for CIT maximum for three months (this extension is not subject to confirmation of tax office).</p> <p>A taxpayer who has source of taxable income from abroad can extend the filing deadline for CIT maximum for other three months (this extension is not subject to confirmation of tax office as well)</p>	
Tax benefits	<p>Starting from 2014, it is possible to utilise tax losses for maximum 4 taxable periods and evenly.</p> <p>Dividends paid out of profits related to tax periods after 1 January 2004 are not subject to tax in Slovakia</p> <p>No real estate transfer tax</p> <p>No thin capitalization rules</p>	

07/05/02 Personal Income Tax (PIT)

Personal Income Tax (PIT)	Slovakia	Applicable law on PIT
Minimum wage	EUR 352 (since 1.1.2014)	<ul style="list-style-type: none"> Act No. 595/2003 Coll. on Income Tax
Average wage	EUR 804 (1 st half of 2013)	
Personal income tax	19% from tax base that does not exceed EUR 35 022,31 / year (EUR 2 918,53 / month) 25% from tax base that exceeds EUR 35 022,31 / year (EUR 2 918,53 / month)	
Tax benefits	General tax-free allowance Tax bonus	

07/05/03 Withholding Tax

Withholding Tax	Slovakia	Applicable law on withholding tax
Tax rate	19 % 35% withholding tax for payments to taxpayers from non-contracting states - the states that did not conclude either the DTT or the treaty on information exchange with the Slovak Republic. (from March 2014) Tax rate based on the DTT	<ul style="list-style-type: none"> Act No. 595/2003 Coll. on Income Tax

07/05/04 Provision on Income Tax

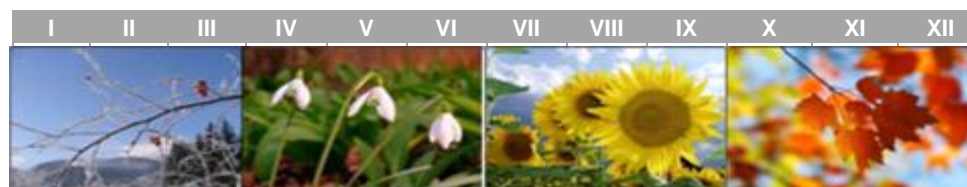
Provision on Income Tax	Slovakia	Applicable law on provision on Income Tax
Tax rate	19 % 35% for payment to taxpayers from non-contracting states.	<ul style="list-style-type: none"> Act No. 595/2003 Coll. on Income Tax

07/05/05 Value Added Tax (VAT)

Value Added Tax (VAT)	Slovakia	Applicable law on VAT
Basic rate	20%	<ul style="list-style-type: none"> ▪ Act No. 222/2004 Coll. on Value Added Tax
Reduced rate	10%	
Registration	<p>The threshold for mandatory VAT registration for taxable entity with registered office, place of business or fix establishment located in Slovakia is turnover of EUR 49,790 for a period of 12 previous consecutive calendar months.</p> <p>The voluntary VAT registration is possible as well.</p> <p>A taxable person - not registered as a VAT payer may have to obtain a VAT number and pay output VAT in case of intra-community acquisition of goods from another EU-Member state if value of those transactions cumulative exceeded EUR 14,000 in calendar year.</p> <p>A taxable person – not registered as a VAT payer may have to obtain a VAT number and pay output VAT or report the supply of service in EC Sales list if the place of delivery for that service is:</p> <ul style="list-style-type: none"> ▪ following the Article 44 of the Directive 2006/112/EC, ▪ located in another EU-Member state as is the EU-Member state of supplier of that service ▪ and person duty to tax will be the recipient of that service. <p>VAT registration is mandatory for foreign taxable persons without registered office or fix establishment in Slovakia before it carries out activity which is subject to VAT in Slovakia and „reverse charge” mechanism is not applied.</p> <p>A foreign taxable person that makes long-distance sales (mail order business) in Slovakia to any person which is not registered as Slovak VAT payer and where the total value of the goods / supplies reaches EUR 35,000 in a calendar year.</p> <p>VAT group registration is compulsory for taxable entities with registered office, place of business or fix establishment located in Slovakia which are connected financially, economically and organizationally and whose turnover exceeded EUR 49,790 for a period of 12 previous consecutive calendar months.</p>	
Tax period	<p>Month or quarter, based on turnover for previous calendar year.</p> <p>Compulsory tax period for new registered VAT payers is calendar month.</p>	



07/05/06 Tax Calendar 2014



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
VAT	Submission of VAT tax return and payment of VAT for the previous calendar month for tax payers with a monthly tax obligation	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Mo. 29.12.
	Submission of VAT return and payment of VAT for the previous tax period for tax payers with a quarterly tax obligation	Mo. 27.1.			Fr. 25.4.			Fr. 25.7.			Mo. 27.10.		
	Submission of EC Sales list for taxable entities which have the obligation to submit a EC Sales list for the calendar month	Mo. 27.1.	Tu. 25.2.	Tu. 25.3.	Fr. 25.4.	Mo. 26.5.	We. 25.6.	Fr. 25.7.	Mo. 25.8.	Th. 25.9.	Mo. 27.10.	Tu. 25.11.	Mo. 29.12.
	Submission of EC Sales list for taxable entities which have the obligation to submit a EC Sales list for the calendar quarter	Mo. 27.1.			Mo. 25.4.			Mo. 25.7.			Mo. 27.10.		
Income tax	Submission of tax return on corporate and personal income tax and payment of tax resulting from the tax return for 2012			Mo. 31.3.									
	Payment of withholding tax according to §43 and notification of this fact to the relevant tax office	We. 15.1.	Mo. 17.2.	Mo. 17.3.	Tu. 15.4.	Th. 15.5.	Mo. 16.6.	Tu. 15.7.	Mo. 15.8.	Tu. 16.9.	We. 15.10.	Tu. 18.11.	Mo. 15.12.
	Payment of the amount for provision of corporate income tax and personal income tax by the income payers and notification of this fact to the relevant tax office	We. 15.1.	Mo. 17.2.	Mo. 17.3.	Tu. 15.4.	Th. 15.5.	Mo. 16.6.	Tu. 15.7.	Mo. 15.8.	Tu. 16.9.	We. 15.10.	Tu. 18.11.	Mo. 15.12.
	Payment of monthly advances for income tax in the amount of 1/12 of tax for the previous tax period - by legal entities and natural persons whose last known tax obligation exceeded the amount of EUR 16.600	Fr. 31.1.	Fr. 28.2.	Mo. 31.3.	We. 30.4.		Mo. 2.6. Mo. 30.6.	We. 31.7.		Tu. 2.9. Tu. 30.9.	Fr. 31.10.		Mo. 1.12. We. 31.12.
	Payment of quarterly advances for income tax in the amount of 1/4 of tax - by legal entities and natural persons whose amount of tax for the previous tax period exceeded EUR 2.500 and was less than EUR 16.600			Mo. 31.3.			Mo. 30.6.			Tu. 30.9.			We. 31.12.



		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<i>Income tax</i>	Payment of the difference resulting from advance payments of corporate income tax (for the period January - March) - if the advances are less than their calculation in the tax return for 2013				We. 30.4.								
	Submission of review about income from employment, about advances paid on this income and about tax bonus for the previous calendar month	Fr. 31.1.	Fr. 28.2.	Mo. 31.3.	We. 30.4.		Mo. 2.6. Mo. 30.6.	We 31.7.		Tu. 2.9. Tu. 30.9.	Fr. 31.10.		Mo. 1.12. We. 31.12.
	Submission of report on tax clearance and total income from employment reduced by the amount according to §5 sec. 8, about employee bonus and tax bonus for the year 2012				We. 30.4.								
<i>Motor vehicle tax</i>	Submission of tax return on motor vehicle tax for 2013 and payment of the tax resulting from the annual tax return for 2013	Fr. 31.1.											
	Payment of monthly advances on motor vehicle tax, in the amount of 1/12 of estimated tax - by the tax payer whose estimated tax paid to one tax authority exceeds the amount of EUR 8.292,00	Fr. 31.1.	Fr. 28.2.	Mo. 31.3.	We. 30.4.		Mo. 2.6. Mo. 30.6.	We 31.7.		Tu. 2.9. Tu. 30.9.	Fr. 31.10.		Mo. 1.12. We. 31.12.
	Payment of quarterly advances on motor vehicle tax in the amount of 1/4 of estimated tax - by tax payer whose estimated tax paid to one tax authority exceeds EUR 660 and is less than EUR 8.292,00			Mo. 31.3.				Mo. 30.6.			Tu. 30.9.		

