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Tax financial transactions Slovakia



From April 2025, (not only) entrepreneurs in Slovakia will pay a new tax on financial transactions

Every natural person - entrepreneur and every legal entity or organizational unit of a foreign entity will pay the tax on every payment made from a business account and on every cash withdrawal from April 2025.

This is one of the many tax news that will affect entrepreneurs in Slovakia from 2025 - the tax on financial transactions (also referred to as transaction tax). It was introduced by Act No. 279/2024 Coll. on Financial Transaction Tax and on amendments and supplements to certain acts (hereinafter referred to as the "Act").

We recommend reading this article to the end, especially to entrepreneurs:

✓ who have their business accounts established abroad,

✓ for whom payments are made by another entity and subsequently settled between themselves,

✓ entrepreneurs - natural persons who do not have separate bank accounts established for business (they use their private "non-business" accounts),

so that they are prepared to take timely steps to avoid (among other things) having to calculate and pay the transaction tax themselves.

Who is a taxable person?

A taxable person is the client of the payment service provider carrying out financial transactions (provider/bank), namely:

✓ Natural person – entrepreneur (self-employed individual, doctor, auditor, architect, self-employed farmer, etc.),

✓ Legal entity (e.g. limited liability company, limited partnership, joint-stock company, non-profit organization, etc.),

✓ An organizational unit of a foreign person located in Slovakia.

The Social Insurance Agency, State-funded and State-subsidized organization, municipality and higher territorial unit are not considered taxable persons.

What is subject to tax, in what amount and who will remit the tax (taxpayer)?

In very simple terms, the following are subject to transaction tax:

1) any payment from a "business" bank account (with certain exceptions)

Tax amount:
0.4 % per transaction of the amount debited from the account, minimum 1 euro cent, maximum EUR 40.

Who will calculate and remit the tax (taxpayer):

✓ Bank account established in Slovakia – the tax will be calculated, collected and remitted by the bank - the tax period is the calendar month.

✓ Bank account established abroad - the tax will have to be calculated and paid by the taxable person himself - the tax period is the calendar month.

2) any cash withdrawal from a "business" bank account

Tax amount:
0.8 % of the amount debited from the account, minimum 1 euro cent, the maximum amount is not limited; this applies to cash withdrawals at a bank branch as well as to cash withdrawals from an ATM using a bank card.

Who will calculate and remit the tax (taxpayer):

✓ Bank account established in Slovakia - the tax on cash withdrawal will be calculated, collected and remitted by the bank - the tax period is the calendar month.

✓ Bank account established abroad - the tax on cash withdrawal will have to be calculated and paid by the taxable person himself - the tax period is the calendar month.

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3) a payment card issued to a "business" bank account, if used at least once in a calendar year

Tax amount:
EUR 2 per card.

Who will calculate and remit the tax (taxpayer):
✓ Card issued to a bank account established in Slovakia - the tax will be calculated, collected and remitted by the bank - the tax period is the calendar year.
✓ Card issued to a bank account abroad - the tax will have to be calculated and paid by the taxable person himself - the tax period is the calendar year.

4) recharged costs (within the meaning of the Act) in connection with the execution of a transfer (payment) relating to the taxable person's activity carried out in Slovakia, **e.g. if someone else makes the payment on behalf of the taxable person**

Tax amount:
0.4 % of the amount of recharged costs, minimum 1 euro cent, the maximum amount is not limited.

Who will calculate and remit the tax (taxpayer):
✓ The taxable person will calculate and remit the tax himself, for the calendar month in which he pays the recharged costs.
✓ The offset of receivables is also considered as payment (of recharged costs).

What is not subject to tax?

We list only selected financial transactions (which are not subject to tax) that may concern ordinary entrepreneurs (transactions that are not subject to tax are listed in Section 4(2) of the Act):
✓ Payments made by payment card (however, cash withdrawals using the card are subject to tax).
✓ Payment of taxes, payment of levies and contributions that are revenues of the state budget, contributions to the Social Insurance Agency and contributions for health insurance, if they are paid into an account kept in the State Treasury and published in the list of the Ministry of Finance of the Slovak Republic.
✓ Transfer between accounts of the taxable person, if they are kept with the same payment service provider (with the same bank) – Note: transfer between company accounts with different banks is subject to tax.
✓ Payment transaction within the postal payment services provided by Slovak Post (note: the tax on cashless payments is probably lower than the current fees paid to the Slovak Post for payments in this form).
✓ Handover and return of money from notarial custody.
✓ A payment transaction with the same provider (with the same bank) related to the compensation of account balances of taxable persons who are members of a consolidated group for which consolidated financial statements are prepared.

Obligations of the taxpayer

The taxpayer (the one who must calculate, collect and remit the tax to the tax administrator) is obliged to:
✓ Remit the tax by the end of the calendar month following the tax period.
✓ Submit the Notification of the tax amount to the tax administrator within the same period, electronically on the prescribed form.
✓ Keep records for individual tax periods at least to the extent required by the Act.

The Financial Transaction Tax Act, as adopted by the Parliament and published in the Collection of Laws, has raised a number of application questions. It is therefore expected that it will be amended in the near future. The legislator also announces this. However, it is very unlikely that the Act as such will be repealed. We will monitor the legislative developments for you and are fully available to answer any questions you may have.

Prepared according to the legislation as of **14 November 2024**.

Your Auditorea team

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