

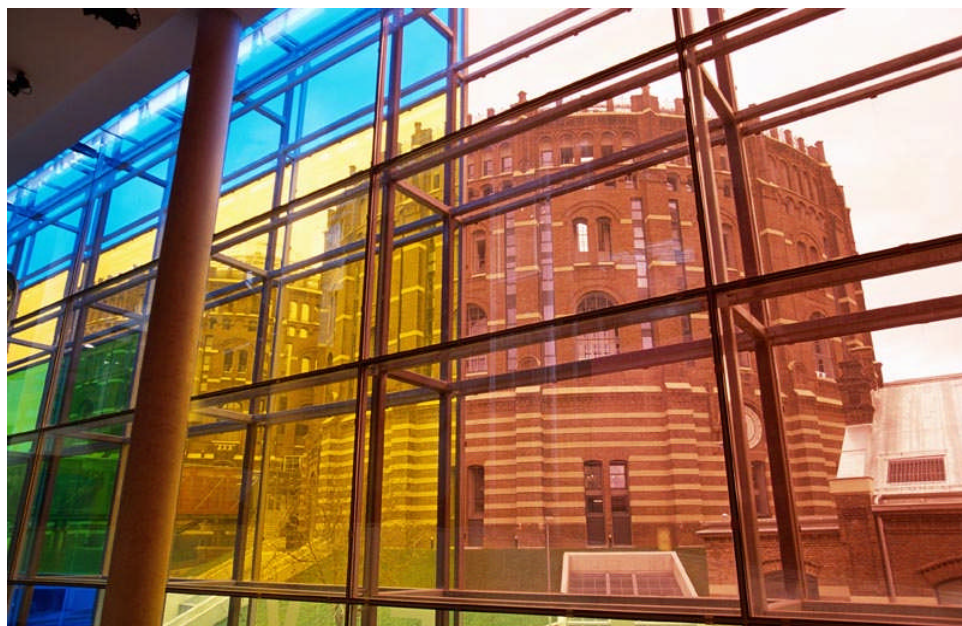
Tax Alert

Slovenia • No. 5/09, July 2009

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Contacts:

Janos Kelemen
Partner
E-mail: janos.kelemen@si.pwc.com
Tel: + 386 1 583 60 58

Tamara Šerdoner
Associate
E-mail: tamara.serdoner@si.pwc.com
Tel: + 386 1 583 60 71

Editor of Tax Alert:
Darja Bernik
Manager
E-mail: darja.bernik@si.pwc.com
Tel: + 386 1 583 60 52

PricewaterhouseCoopers d.o.o.
Cesta v Kleče 15, SI-1000 Ljubljana
Tel: + 386 1 583 60 00

www.pwc.com/si

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Draft amendments to the Value Added Tax Act

At the beginning of June the draft amendments to the Value Added Tax Act were published on the official website of the Ministry of Finance.

The draft amendments would establish new rules with respect to the place of supply of services and with respect to VAT refund to taxable persons established in another Member State. The reporting period for the submission of recapitulative statements as well as the due date for the submission of VAT returns for taxable persons who are obligated to submit recapitulative statements will be shortened. The draft amendments also introduce the possibility of early submission of VAT returns and payment of VAT liability at the request of the tax authorities in the tax inspection procedure. The changes will take effect 1 January 2010.

Place of supply of services

The draft amendments amend the general rule on the place of supply of services to a taxable person in the way that services shall in principle be taxable in the Member State where the customer has established his business. The amendments increase the scope of usage of the reverse-charge mechanism.

For services supplied to non-taxable persons, the place of supply shall continue to be the place where the supplier has established his business. Since for some services the general rule will not be able to be applied, the draft amendments define special rules, that are based on the existing standards and take into account the place of consumption.

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Key deadlines in the next month

- 10.08. Corporate income tax payment on account**
- 10.08. Recapitulative statement for the 2nd quarter of 2009**
- 14.08. Intrastat report for July 2009**
- 20.08. Bank of Slovenia - reporting of foreign bank account details and foreign current and correspondent accounts (for financial service companies)**
- 31.08. VAT return for July 2009**
- 31.08. Bank of Slovenia - SKV report**
- 31.08. Bank of Slovenia - Monthly report on the investments**

PricewaterhouseCoopers d.o.o.
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VAT refund to taxable persons not established in Slovenia

Taxable person not established in Slovenia will be able to claim the VAT refund in Slovenia, by submitting the refund application via the electronic portal set up in the Member State in which he has acquired the VAT ID number or tax reference number, on the basis of which he claims the refund. The refund application will have to be submitted no later than on 30 September after the expiration of the calendar year in which the VAT was charged. The refund period can not be shorter than 3 months and not longer than 1 calendar year. However, the refund application can relate to a refund period shorter than 3 months provided that such period of time represents the remaining portion of the calendar year. The VAT amount can not be less than 400 EUR (where the application refers to a refund period shorter than 1 year and longer than 3 months) or 50 EUR (where the application refers to a refund period shorter than 3 months).

The VAT refund application will continue to be addressed by the Member State, where the VAT was paid. The refund amount will be determined in accordance with the deduction rules in the Member State where the costs were incurred. The refund will be paid by the Member State of refund directly to the applicant. In case the refund will not be paid by the Member State within the due date, interests will be due to the applicant. Interests will be calculated from the day following the last day when the payment of the refund was due until the day the refund is actually paid to the applicant.

Submission of the recapitulative statement

According to draft amendments, the supply of services performed by a taxable person to a person identified for VAT in another Member State, for which the customer is liable to pay VAT will also be subject to reporting in the recapitulative statements.

Taxable persons liable for submission of the recapitulative statements for goods or services will be obliged to report on a monthly basis whereby the taxable person shall submit the report to the tax authority by the 20th day of the following month after the expiration of the tax period.

Submission of the VAT return and due date for payment of VAT liability

Taxable persons who perform transactions within the Community and are liable to submit recapitulative statements, will be obliged to submit the VAT return by the 20th day of the following month after the expiration of the tax period.

A special due date for the submission of the VAT return and payment of VAT liability will be imposed in case of a tax inspection based on the decision of the tax authority. In the event that the tax authorities in the tax inspection procedure establish that reasonable grounds exist for the VAT due not to be paid, the taxable person will be liable to submit the VAT return for the tax period and within the due date set by the tax authority. The due date can not be shorter than 2 days (48 hours) from the day, when the decision was served to the taxable person. An appeal will not withhold the application of the decision. The VAT due will have to be paid within 8 days of the expiration of the due date for the submission of the VAT return.

The Draft amendments to the Value Added Tax Act can be found using the link below:

http://www.mf.gov.si/slov/dav_car/ZakonospremindopolnitvahZDDV.pdf

For further information please contact Tamara Šerdoner