



*cutting through complexity*

# Tax & Legal Services

[kpmg.sk](http://kpmg.sk)

KPMG in Slovakia

**Clear, unique,  
innovative and committed  
to serve our clients.**

**Tax & Legal  
Services of KPMG.**



# Tax & Legal Services

The Slovak legislative environment adapts rapidly as the economy changes to adjust to current economic trends and EU requirements. In addition to new or amended legislation, there are significant changes in the interpretation of existing regulations. In these circumstances, effective advice and innovative planning can give your business the competitive advantage.

Our tax and legal practice shares the same core KPMG values of clarity, excellence, innovation and, most of all, client service. We offer a range of domestic business and personal services designed to meet the needs of your business, regardless of its size.

Because we know how complex tax and legal matters can be, we make it our business to stay abreast of new laws, policies, accounting and commercial principles, and international tax treaties. Our aim is to turn this knowledge into value for the benefit of our clients.





## Tax Services

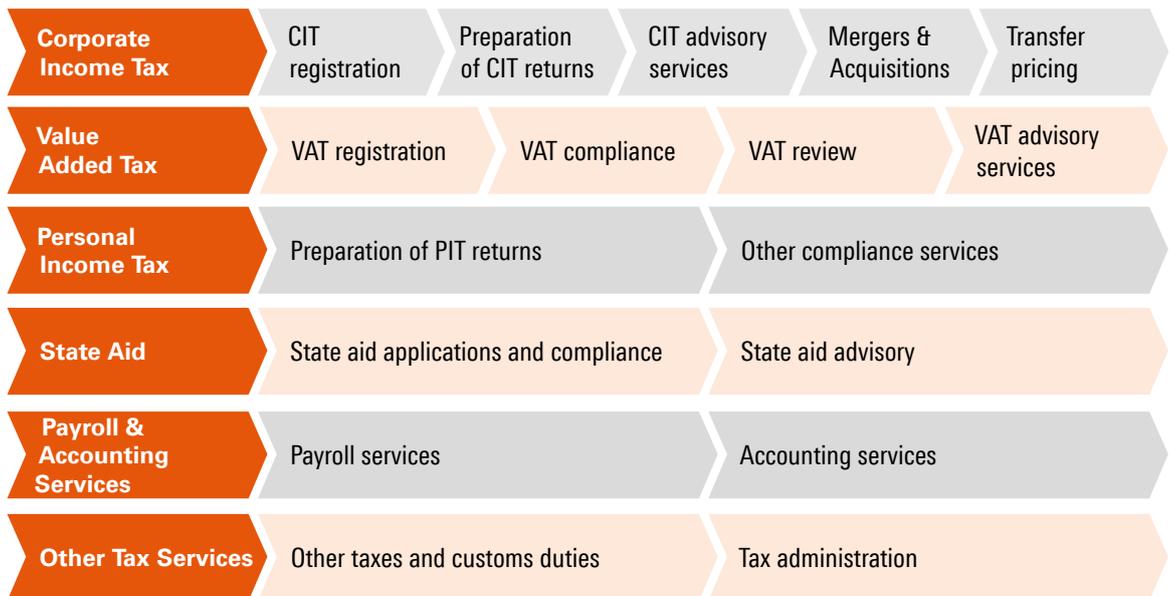
Tax is a cost of doing business and a key part of the business environment. Companies need to adapt to the tax environment in which they operate, ensuring that they meet the requirements of the environment, and that they mitigate unnecessary costs and maximize planning opportunities. Slovak tax legislation and practice is in a state of continuous change and development.

The changes are influenced by a variety of factors, including the desire to adapt to the current market environment, as well as to close tax loopholes and bring Slovak tax laws into line with more developed economies. However, the interpretation and enforcement of tax laws and regulations can be unpredictable in practice, and penalties for non-compliance remain. Having said that, many opportunities exist for tax savings and efficient tax planning.

Because we know how complex tax matters can be, both in the Slovak Republic and in foreign markets, we make it our business to keep attuned to changes in domestic and international tax laws, policies, accounting and commercial principles, and international tax treaties. Our aim is to turn this knowledge into value for the benefit of our clients. We listen to our clients to understand their needs, and then we contribute where we can add most value. That might mean drawing on our knowledge and experience of working with other clients and regulators to help anticipate and respond to change, or it could be overlaying our understanding of your business at the national level with what we know has worked in other countries.



Our key tax services include advice and services in the following areas:

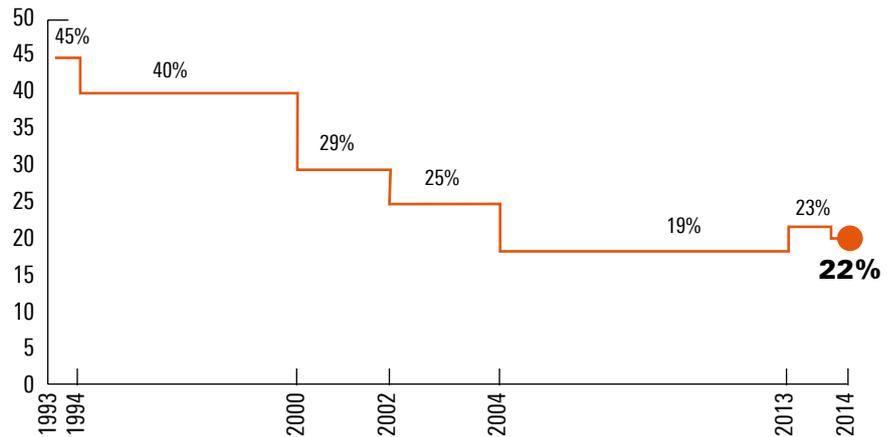


## Corporate Income Tax

### A relatively low headline rate does not have to mean low tax cost.

While the „headline“ tax rate in Slovakia was reduced to 19% over the past years, increased to 23% from 2013 and reduced to 22% from 2014, it is still a lower rate than the tax rate in many western

European countries. The actual corporate tax incurred can, however, be very significant. We can work with you to help minimize your tax costs and to help identify comprehensive commercial strategies to address tax problems and opportunities arising from your business activities.





## Preparation of CIT returns

**Corporate income tax returns are often challenged by tax authorities.** Our corporate tax compliance services include the preparation or review of corporate income tax returns. During this process

we aim to bring to your attention the tax risks and opportunities arising from your business, and suggestions for further procedural or planning opportunities.



## CIT advisory services

**Local and international tax issues need to be addressed in time.** While the impact of taxation on transactions within national boundaries is important, the impact of taxation on cross border transactions can be even more critical to a business. Understanding the tax systems in the countries involved is fundamental in

both avoiding double taxation and identifying opportunities for minimizing the overall tax burden. With our expatriate tax professionals, and KPMG member firms' global network, we work closely together to produce tools tailored to your individual needs and circumstances.



## Mergers & Acquisitions

**We can help ensure that acquisitions create shareholder value.** We offer a wide range of M&A tax services covering various phases of domestic and cross-border transactions: Tax due diligence services can track down the tax information that the acquirer or vendor needs to answer the vital questions; where's the tax exposure and what can be done about it; where are the tax opportunities and how can they be captured? By structuring acquisitions and disposals with our technical structuring know-how, and an understanding of each party's business priorities, we help to

design deals that take account of the exposures and opportunities revealed during tax due diligence. We can also help during negotiation and deal execution, by focusing on the tax efficiency of contractual arrangements, and the value of warranties and indemnities in contracts. In due diligence and deal structuring, we assess the value of the target's tax attributes, identify contingent tax liabilities, and address other important, but often overlooked issues, such as asset retention, debt placement, separation agreements and exit plans.



## Transfer pricing

**Transfer pricing is a business matter.** Transfer pricing affects the terms of transactions with related parties which must be compliant with the arm's length requirement. It is a dynamic area of international tax, and we can anticipate further changes in Slovak tax law and practice in the future. With effect from 1 January 2009, formal transfer pricing

documentation requirements were introduced. Businesses must, therefore, plan now for compliance with the new rules and anticipated future developments. Tax authorities often scrutinize transactions with foreign related parties, and challenge transfer pricing documentation which does not comply with the requirements for its contents.



## Value Added Tax

**VAT issues are more complex than ever.** Failure to comply with VAT requirements can represent a significant expense for your business. Legislation and requirements in this area change regularly, in part due to the accession of Slovakia to the European Union on 1 May 2004, which in many cases has

caused major changes in how a company does business. We offer both compliance services and advisory services to help identify the risks and opportunities that may arise in relation to the new legislation. As part of our services we look closely at the business model used, since modifications to structure can often lead to significant cost reductions.

## Personal Income Tax

**Personal income tax compliance is an issue for all employers and individuals.** Our International Executive Services tax professionals provide comprehensive compliance, advisory and administration services to support your assignees as well as entrepreneurs. We offer both personal tax planning and

personal tax compliance services to provide you with a single source for addressing all international assignment business issues. We can assist you in determining the social and health insurance treatment of your assignees or employees, and address the impact of EU regulations in this area.



### State Aid and EU Funds

**A duly drafted application and entire process management is a must.** Over the past few years the Slovak investment incentives regime has been subject to continual change to meet the challenges of Slovakia's developing economy. KPMG in Slovakia has a Grants & Incentives Team dedicated to providing services for entities interested in winning public financial support for their activities, and advisory in the scope of state aid. Our team assists in the effective use of

available financing sources for purposes connected with, among others, planned investment, creating new workplaces, development and research projects, and training for employees. The proper preparation of state aid strategy, applications, fulfilment of numerous formal requirements, as well as negotiations with public authorities (Slovak and/or EU) are all critical for effectively obtaining and using grants and incentives.

### Payroll and Accounting Services

**Payroll and accounting are functions often outsourced to specialists, either for efficiency reasons, or in order to secure the confidentiality of payroll data.** We offer our clients maintenance of their payroll agenda, as well as accounting services.

Our team comprises very experienced specialists who maintain the payroll agenda and accounting records for a number of clients, and can deal with complex issues.

### Other Tax Services

**Customs duties or other business taxes are trade expenses which can often be managed.** Our services include advisory in customs matters, excise

duties, property tax, motor vehicle tax and other taxes. We monitor developments in these areas to provide you with up-to-date and accurate information.



## Legal Services

Around the world, our clients face an increasingly complex legal and regulatory environment that has a significant impact on their day-to-day business activities and future strategies. KPMG provides its clients with a unique combination of standard KPMG services and high-quality and properly tailored legal advice. To help clients cope with legal issues in their day-to-day businesses and save costs and effort, we can deliver complex, one-stop-shop services.



Our key legal services include:





## Compliance and Regulatory

**In the field of compliance and regulatory matters, KPMG can effectively help you to improve and operate a Compliance Management system.** We can provide you with qualified and meticulous legal support, tailor-made to the needs of your business, covering mainly: organizational advice from the legal point of view, implementation of compliance trainings for client's management or employees, performance of compliance risk assessments, audits and due diligences, legal advice to

management on specific compliance issues (including governance matters and liability matters), advice on legal requirements for the internal audit department; implementation of guideline management and review of guidelines, legal advice on building a contract management; and international advice on issues relating to product recalls and product safety. We build our expertise on our wide and comprehensive sector knowledge, and permanent communication with the relevant national and EU public authorities.



## Mergers & Acquisitions

**KPMG has significant in-depth expertise in restructuring projects** (national and cross-border), such as group reorganizations, mergers - demergers, re-domiciliations, as well as acquisition transaction (including takeovers, share deals,

acquisition of businesses or their parts or particular assets). KPMG can provide you with qualified legal assistance throughout the full cycle of these transactions (negotiation, pre-closing phase, closing and post-closing assistance).



## Company Law

**Our help in the field of company law particularly comprises the following:** performance of due diligence focused on corporate matters (e.g. good standing of the company, availability of licenses, protection of minority shareholders), incorporation, changes in the structure, as well as winding-up and liquidation of the companies and branches, acquisition of existing companies, the preparation of joint ventures and shareholders agree-

ments, founder's deeds, articles of association, statutes and other corporate documents and by-laws, assistance with the shareholders' meetings, representation in front of public bodies in company matters, assistance on share capital increase and reduction, spin-offs and other forms of corporate restructuring, and structuring of relationships between members of a group of companies.



## Financial Services

**Our practice in this field mainly comprises advisory in the area of banking, capital markets and insurance.** In all these fields we offer legal advice on the design, offer, and conditions of

financial products, preparation of the relevant contractual documentation, preparation of due diligence reports on legislative compliance, and advice in corporate banking, capital markets or insurance areas.



## Real Estate and Construction Law

**We offer our clients a wide range of services in the field of real estate,** comprising assistance in the acquisition and sale of real estate, establishment of pledges and other encumbrances, lease of real estate, legal advice in the development of real estate projects and their

financing. We have long-term expertise in construction law matters, covering the preparation, implementation and review of project services, engineering and construction agreements, and related documentation.

## Private Wealth Management

**KPMG practice in the area of Private Wealth Management adopts a multi-disciplinary approach, where profound legal expertise is supported by extensive tax, financial and accounting knowledge.** This line of business serves to provide private investors and their families with legal assistance in order to

protect and manage their personal wealth. Our services include effective management and succession planning, tax planning, corporate finance and restructuring, as well as estate planning and wealth disposal. Further, we can assist clients with compensation and retirement planning, fiduciary litigation, and other related issues.

## Health and Pharmaceutical law

**We provide legal services in the area of health care and health insurance.** Our team renders complex advisory services

regarding pharmaceuticals, including their production, distribution, advertising and sale including price regulation.

## Other Legal Services

**Our legal team has considerable expertise in IP law** (including effective protection against the infringement of IP rights, advice on the preparation of functioning IP management systems,

protection of personal data, licensing and sub-licensing of IP rights, and IP litigation). Further, our team is highly skilled in tax litigation matters, where it closely cooperates with our tax department.



## Our team



### **Tomáš Círan**

Partner, Head of Tax & Legal Services

Tomáš joined KPMG in 1995 and is a Certified Tax Advisor. He is also the vice-president of the International Fiscal Association in Slovakia, and has economic as well as legal education.

Tomáš has significant experience in tax advisory to many Slovak companies, and also has extensive experience in advising foreign investors on structuring their investments in Slovakia. His experience includes tax advisory for local and foreign investors, including Due Diligence, Transaction Services, Corporate Income Tax (including branch and permanent establishment issues) and Tax Planning.

Tomáš lectures on tax-related topics for students, the public as well as clients, and under an EU project led sessions for representatives of tax authorities on transfer pricing and international taxation.

Tomáš speaks Slovak and English.

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## **Branislav Ďurajka**

Partner

Branislav joined KPMG in February 2005. He has been a Licensed Tax Advisor since 1999. He has had experience with tax and accounting work with local firms since 1995. From 1999 to 2002 he worked at the Ministry of Economy as the Deputy Director General of the Strategy Section. From 2003 to January 2005 he worked as the Director General of the Tax and Customs Section at the Ministry of Finance, and in 2010-11 he was State Secretary (Deputy Minister) at the Ministry of Finance. He has gained extensive experience in tax and accounting, both in the private and public sector.

Branislav specializes in advising clients on various tax issues, as well as providing tax compliance and tax structuring services. He has also assisted foreign investors in structuring their proposed acquisitions, due diligence engagements, analyzing post-acquisition tax scenarios and tax modeling. He also has experience in representing clients before Slovak tax and other authorities.

Branislav has worked on the structuring of industrial, real estate and financial sector projects for numerous clients, and on many due diligence and pre-sale advisory projects for numerous significant transactions. He also has extensive experience in transfer pricing matters, and VAT advisory and compliance.

Branislav is our lecturer for international tax trainings. Branislav is fluent in Slovak, English and German.

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## Contact us

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