

Slovakia postpones MDR reporting deadlines for six months

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Executive summary

On 9 July 2020, the Slovak National Council approved a six-month deferral to the European Union (EU) Directive on the mandatory disclosure and exchange of cross-border tax arrangements (referred to as DAC6 or the Directive). Under DAC6, taxpayers and intermediaries are required to report cross-border reportable arrangements from 1 July 2020. However, reports will retrospectively cover arrangements where the first step is implemented between 25 June 2018 and 1 July 2020.¹

The deferral approval in Slovakia follows the adoption on 24 June 2020 by the Council of the EU of amendments to the EU Directive 2011/16 allowing Member States an option to defer, for up to six months, the time limits for filing and exchange of information on cross-border arrangements under DAC6.²

Key highlights

On 9 July 2020, the six-month deferral was approved at the national level by the Slovak National Council as part of a package of measures from the Ministry of Economy designed to improve the business environment. On 21 July 2020, the approved legislation was published in the Collection of Laws. In practice, the new reporting deadlines under the Slovak Mandatory Disclosure Rules (MDR) legislation are as follows:

- ▶ Information on a reportable cross-border arrangement where the first step of implementation was done between 25 June 2018 and 30 June 2020 must be submitted no later than 28 February 2021.
- ▶ The 30-day limit for submission of information on reportable cross-border arrangements will begin to apply from 1 January 2021. Accordingly, from 1 January 2021, the relevant information on a reportable cross-border arrangement must be submitted within 30 days of the day following that on which the arrangement is made available for implementation, is ready for implementation or commenced its operation.
- ▶ Where the cross-border arrangement is made available for implementation or is ready for implementation, or where the first step in its implementation has been made between 1 July 2020 and 31 December 2020, information must be submitted no earlier than 1 January 2021 and no later than by 31 January 2021 at the latest.
- ▶ Reports on marketable cross-border arrangements must be submitted by 30 April 2021.

Next Steps

Notwithstanding that the MDR reporting deadlines have now been officially deferred, determining if there is a reportable cross-border arrangement raises complex technical and procedural issues for taxpayers and intermediaries. Taxpayers and intermediaries who have operations in Slovakia should review their policies and strategies for logging and reporting tax arrangements so that they are fully prepared for meeting these obligations.

Endnotes

1. For background on MDR, see EY Global Tax Alert, [EU publishes Directive on new mandatory transparency rules for intermediaries and taxpayers](#), dated 5 June 2018.
2. [Council Directive \(EU\) 2020/876 of 24 June 2020 amending Directive 2011/16/EU to address the urgent need to defer certain time limits for the filing and exchange of information in the field of taxation because of the COVID-19 pandemic](#).

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