

# Doing Business

## Benchmarking business regulations

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### Starting a Business in the Slovakia

STANDARDIZED COMPANY

Legal Form:

Minimum Capital Requirement: 200,000

City: Bratislava

#### Registration Requirements:

<b>Procedure 1. Obtain certificate of clean criminal record</b>	
Time to complete:	1 day
Cost to complete:	SKK 100 per representative
Comment:	SKK100/person for all members and representatives of the company, assume 5 persons. The certificate is obtained immediately for nationals. The certificate is no longer required for commercial registration, but is required for getting trade license.
<b>Procedure 2. Check the uniqueness of the proposed company name</b>	
Time to complete:	1 day
Cost to complete:	SKK 100 in office, no charge if one does the search on the Internet (at <a href="http://www.orsr.sk/">http://www.orsr.sk/</a> )
Comment:	
<b>Procedure 3. Notarize Articles of Association and related documents</b>	
Time to complete:	1 day
Cost to complete:	Notary fees for verifying a signature: SKK 71/signature including VAT
Comment:	Amendment of the Commercial Code effective from 01 February 2004 canceled the requirement to establish a company of one shareholder by Articles of Association executed in the form of a notary deed. The only formal requirement is verification of founders' signatures. Company establishment without professional help takes longer. The lawyer's fees are about SKK30.000 - 50.000.
<b>Procedure 4. Apply for trade license at the state or local administrative body; obtain operating permit to run a business</b>	
Time to complete:	7 days for a standard license; 30 days for a special license for certain types of business
Cost to complete:	SKK 1,000 for a standard license; SKK2,000 for a special license
Comment:	For certain types of business stipulated by the law (including for example catering), companies or individuals need to appoint a responsible representative for every location from which they operate, and advertise the name of this person in a public place (e.g. on the door of the premises). The responsible representative must have his permanent or temporary residence in the Slovak Republic.
<b>Procedure 5. Open a bank account</b>	
Time to complete:	1 day
Cost to complete:	SKK 500, varies from bank to bank
Comment:	Prior to the registration of the company with the Slovak Commercial Register a certain amount of share capital must be paid into the bank account. If there is one shareholder in s.r.o. the capital must be fully paid, otherwise, at least 30% of each shareholder's capital and in total at least SKK 100,000 must be paid.
<b>Procedure 6. Apply for registration at the County Registry Court</b>	
Time to complete:	5 days
Cost to complete:	SKK 10000
Comment:	A special registration form is required (it is enclosed with the regulation on application of the registration procedures effective on 1 February 2004 for entering and changing data in the Commercial Register). The registration process changed from a judicial to an administrative one, and court clerks became responsible for company registration. The forms are available for downloading at the Slovak Commercial Register's web site at: <a href="http://www.orsr.sk/">http://www.orsr.sk/</a> , but these

forms cannot yet be submitted on line. The Registry Court should make changes to a Commercial Register entry, as well as add or delete an entry, within five working days after receiving the complete registration form with the supporting documents. The proposal for the registration of the company needs to be signed by all executives and their signatures have to be certified. In case the executive is represented by an authorized person, his signature has to be certified in the granted power of attorney. Business identification number is assigned by the Registry Court.

**Procedure 7. Register with the tax authorities for income tax and VAT**

Time to complete: 7 days

Cost to complete: no charge

Comment: The registration form for VAT purposes should be submitted to the tax administrator on a special registration form, and can be signed with an electronic signature.

A company doing business in Slovakia must register for corporate income tax purposes (i.e. "profit tax") within 30 days from the date of its registration in the Slovak Commercial Register. The registration form must be filed with the local Tax Office, depending on the location/registered office address of the company.

If the company has any employees, it must also register for personal income tax purposes. This must be done within 15 days from the date when its first employee receives the salary. Again, the registration form must be filed with the local Tax Office. However, as the same registration form is used for corporate and personal income tax purposes, it is also possible to file one registration form for corporate and personal income tax purposes at the same time.

From 1 May 2004, when Slovakia enters the EU, new rules will apply for VAT registration. Under the VAT Act, the company has to register for VAT purposes if its turnover in 12 consecutive months reaches the registration threshold of SKK1,500,000. A company can also request voluntary VAT registration before it meets the threshold. If a foreign company registered abroad carries out business activities in Slovakia, it must register for VAT when it starts doing business in Slovakia.

By 1 April 2004, documentation requirements for companies' voluntary VAT registration were simplified and standardized in accordance with the EU general principle calling for tax administrations to enable every taxable entity to become a VAT-payer. Invoices or other business documents demonstrating that the company has been exercising veritable economic activities in Slovakia is not required anymore. At the end of 2004, new tax identification numbers were introduced, uniform for income tax and VAT purposes (the code SKK has to be added in front of the VAT identification number).

A new amendment to the VAT Act has extended the period for registering a company for VAT from seven to 30 days.

**Procedure 8. Register with pension, sickness & disability insurance and unemployment insurance at the local Social Insurance company (Socialna poistovna)**

Time to complete: 1 day

Cost to complete: no charge

Comment: The company must register employees for pension, sickness & disability insurance and unemployment insurance at the local Social Insurance Company ("Socialna poistovna") before a first employee started or should have started working for the company.. Also, the company has to register for casualty and guarantee (for cases of employer's insolvency) insurance before a first employee started or should have started working for the company.

The forms for registering for social security purposes are available for downloading at the official website of the Social Security Office at: <http://www.socpoist.sk>, but they cannot be submitted electronically. Based on the amendment to the Social Security Act, monthly reports to the Social Security Office must, from February 2005, be submitted electronically by any employer with more than twenty employees.

**Procedure 9. Register for health and medical care insurance at any Zdravotna poistovna company that the employees choose**

Time to complete: 1 day

Cost to complete: no charge

Comment: For health and medicare insurance purposes, the company must be registered with one or more Health Insurance Companies ("Zdravotna poistovna"), depending on the employees' choice of insurance company (the registration must be made within 8 days after employee started or should have started working for the company).

A statutory representative of a limited liability company has to register with the Health Insurance Company as an employee (change effective as of 1 September 2005; before the change a different regime of statutory representatives health insurance applied). The health insurance contribution is 14% of the assessment base, subject to a minimum and maximum cap.

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