



### **Amendments to the Commercial Code and the Act on Accounting in October 2019**

On 22 October 2019, the National Council of the Slovak Republic approved an amendment to Act No. 513/1991 Coll. Commercial Code as amended (hereafter referred to as the “Commercial Code”) and related changes to many other laws, including, inter alia, Act No. 431/2002 Coll. on Accounting as amended (hereafter referred to as the “Act on Accounting”), by means of Act No. 390/2019 Coll.

Some of these changes will enter into force on 1 January 2020; others on 1 October 2020.

According to the Explanatory Statement regarding these amendments, the purpose of these changes is primarily as follows:

- **to improve the functioning of the Commercial Register, in particular** by means of:
  - a change in the list of entities for which it is mandatory to be registered in the Commercial Register,
  - elimination of the paper form of applications for registration of data in the Commercial Register and introduction of the requirement to file applications solely in electronic form,
  - **deletion** of the registered entities that have not fulfilled their statutory obligations with respect to the Commercial Register and other state authorities for a long time (so-called inactive or dormant companies; companies which have not yet translated the nominal values of their contributions and share capital to the euro currency; companies breaching the obligation to **create or supplement a reserve fund**; companies defaulting on the obligation to **file their financial statements in the Collection of Deeds** and/or in the **Register of Financial Statements**; etc.); this is intended to “cleanse” the Commercial Register,
  - exclusion of the possibility of voluntary registration of a sole trader in the Commercial Register,
  - **to update** the registered data on enterprises of foreign legal entities and **branches of foreign** legal entities in the Commercial Register,
- **to streamline the process of liquidation** of companies and cooperatives.

We will not discuss all changes, but only those that we consider relevant to accounting.

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Definition of a branch of an enterprise</b> (Article 7 (1) and (2) of the Commercial Code)</p>	<p>Until now, a branch of an enterprise was defined in Article 7 of the Commercial Code as follows:</p> <ol style="list-style-type: none"> <li>1. A branch of an enterprise means a subsidiary branch or another organizational unit of an enterprise according to this Act or special legislation. A subsidiary branch is a branch of an enterprise which is registered as a subsidiary branch in the Commercial Register. When operating a subsidiary branch, the undertaking's business name shall be used with a suffix indicating that it is a subsidiary branch.</li> <li>2. Other branches of an enterprise shall have a status similar to that of a subsidiary branch if the law provides that such branches shall be registered in the Commercial Register.</li> </ol>	<p>The definition of a branch in Article 7 has been amended as follows:</p> <ol style="list-style-type: none"> <li>1. A branch of an enterprise means an organizational unit of an enterprise according to this Act or special legislation. When operating a branch of an enterprise, the undertaking's business name shall be used with a suffix indicating that it is a branch of the enterprise.</li> <li>2. A branch of an enterprise of a legal entity may be registered in the Commercial Register on the basis of a petition.</li> </ol>	<p>The <b>Explanatory Statement</b> reads as follows:</p> <p>The existing definition of a branch of an enterprise is, in essence, tautological. "Subsidiary branch" is the preferred term typically used to refer to a branch of an enterprise, but, of course, a branch of an enterprise can also be called differently. The proposed legislation simplifies the situation of branches in terms of terminology and no longer gives preference (so to speak) to referring to a branch of an enterprise as a subsidiary branch. Registration of a branch of an enterprise in the Commercial Register (now applicable to legal entities only) is optional and its purpose remains to "record" the authorization of the head of a branch of an enterprise to act on behalf of the undertaking with respect to matters concerning the branch.</p> <p><b>Effective date.</b> According to Article XX, these changes will enter into force on 1 October 2020.</p> <p>According to the transitional provisions of Article 768s (2) (d) of the Commercial Code, the registration court, in cooperation with the Justice Ministry of the Slovak Republic, shall <b>delete</b> from the Commercial Register the registered enterprises of foreign legal entities, branches of enterprises of foreign legal entities, and branches of enterprises of Slovak legal entities <b>which do not confirm</b> the data registered in the Commercial Register according to special legislation or apply for a change in the data registered in the Commercial Register according to special legislation <b>by 30 September 2021</b>.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Limitation of a legal entity's statutory body to act on its behalf</b> (Article 13 (4) of the Commercial Code)</p>	<p>Any limitation of the statutory body's authorization to act <b>shall not be enforceable</b> in relation to third parties even if published.</p>	<p>The following sentence has been added to this provision:</p> <p>If an undertaking is being registered in the Commercial Register, the limitation of the statutory body referred to in the first sentence shall not be <b>registered in the Commercial Register</b>.</p>	<p>Any limitation of the statutory body's authorization to act is not enforceable in relation to third parties. Following the amendment, this should not be registered in the Commercial Register.</p> <p>The <b>Explanatory Statement</b> reads as follows: There is no dispute that any limitation of a legal entity's statutory body to act on its behalf has no external legal effects. In spite of this, it is often possible to see in the application practice of registration courts that legal entities apply for registration of limitations in the Commercial Register (which are often very descriptive or even technical in nature), which may cause legal uncertainty for third parties and also places certain demands on the information systems of public administration and registration courts. Therefore, it has been proposed that the situation regarding registrations in the Commercial Register be put in more precise terms in such a way that it will not be possible at all to register any limitation of the statutory body to act on behalf of the registered legal entity. In practice, such limitations were often incorrectly registered as "information on the method of acting of this person (understand a natural person who is the statutory body or a member thereof) on behalf of the registered entity," as laid down in Article 2 (1) (e) of Act No. 530/2003 Coll. on the Commercial Register and on Amendment to Certain Laws as amended, on the basis of Article 14 (d) (i) of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification) (hereafter referred to as "Directive 2017/1132"). In this context, it needs to be pointed out that professional circles are united in their opinion that it is necessary (and imperative) to consistently distinguish in practice between the definition of the <b>method of acting</b> on behalf of a company and the restriction of the <b>authorization to act</b> on behalf of a company, as these terms are not identical, with all related consequences. This means that the purpose of the proposed amendment is to make this legislation more precise and thus contribute to its unified interpretation and application.</p> <p><b>Effective date.</b> According to Article XX, these changes will enter into force on 1 October 2020. According to the transitional provisions of Article 768s (12), natural persons authorized to act on behalf of a registered entity which has registered any limitation of the statutory body to act on behalf of the legal entity in the Commercial Register according to legislation effective until 30 September 2020 shall be required to bring the registration in the Commercial Register into compliance with this Act when filing the next application for registration of a change in the registered data, but no later than by 30 September 2021.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Company in crisis</b> (Article 67a (1) of the Commercial Code)</p>	<p>A company in crisis is regulated by Articles 67a to 67k of the Commercial Code.</p> <p>A company is in crisis if it is in bankruptcy or at risk of bankruptcy (Article 67a (1) of the Commercial Code).</p> <p>A company is at risk of bankruptcy if its equity to liabilities ratio is less than 8 to 100 (Article 67a (2) of the Commercial Code).</p>	<p>The following sentence has been added to Article 67a (1): A company shall also be considered in crisis during the time <b>between its winding-up and entry into liquidation.</b></p> <p>This is also related to the addition of new Article 68c, where paragraph 1 restricts disposal of assets of the company after it is wound up:</p> <p>Between the winding-up of a company and its entry into liquidation, disposal of company assets whose <b>amount exceeds 10% of the amount of share capital</b> of the company shall be subject to valuation on the basis of an expert opinion and approval by the supreme body of the company. The legal act constituting the disposal of assets referred to in the first sentence may not enter into force before being filed, along with the expert opinion, in the Collection of Deeds. If registration in special records according to special legislation is required for a legal act to become effective, the legal act, along with the expert opinion, must be filed in the Collection of Deeds prior to being registered in the special records.</p>	<p>According to the new legislation, a company will enter into liquidation only on the date of registration of a liquidator in the Commercial Register (Article 70 (3) of the Commercial Code), and not on the date of its winding-up, as has been the case up until now (that is, according to the date specified in a decision of the general meeting or a court decision).</p> <p>A certain period of time will elapse between the winding-up of a company and its entry into liquidation; during this period, the company will be considered in crisis. Transactions exceeding 10% of the amount of share capital will be subject to restrictions similar to those currently applicable to joint stock companies with respect to “transactions involving conflict of interest” referred to in Article 59a of the Commercial Code and “material transactions” with related parties of a public joint stock company referred to in Article 220ga et seq. of the Commercial Code.</p> <p>The <b>Explanatory Statement</b> reads as follows: The author of this amendment seeks to address the situation that should constitute an exceptional situation by nature, namely by regulating the state of affairs during the period between the winding-up of a company and the commencement of liquidation. This part of the life cycle of a company provokes legal uncertainty and on good grounds. During this period, the situation regarding disposal of company assets may be problematic with respect to the interest of creditors in having their claims satisfied. There is a considerable risk that if considerations substituting for own resources are paid back to shareholders/members and/or persons related to the company, the interest of creditors in proper liquidation and their right to have their claims satisfied may be endangered “irreversibly” or in a manner whose consequences (legal effects) are very problematic to reverse or eliminate in practice. Therefore, it has been proposed that a company that has been wound up but has not yet entered into liquidation be considered a company in crisis (i.e. a company that is at risk of bankruptcy <i>a minore</i>).</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Winding-up of a company by a court decision – reserve fund, failure to file financial statements</b> (Article 68b of the Commercial Code)</p>	<p>A court shall decide on winding up a company following a petition by a state authority, a petition by a person that has a proven legal interest, or on its own initiative if: (in addition to other reasons):</p> <ul style="list-style-type: none"> <li>- the company breaches the obligation to create or supplement a <b>reserve fund</b> according to this Act,</li> <li>- the company fails to fulfill the obligation to file its <b>individual financial statements</b> for at least two successive accounting periods in the Collection of Deeds.</li> </ul> <p>See Article 68 (6) (d) and (f) of the Commercial Code.</p>	<p>A court shall decide on winding up a company without a petition if (in addition to other reasons):</p> <ul style="list-style-type: none"> <li>- the company breaches the obligation to create or supplement a <b>reserve fund</b> according to this Act,</li> <li>- the company defaults on the obligation referred to in Article 40 (2) (= to file <b>ordinary financial statements and extraordinary financial statements</b> in the Collection of Deeds within nine months of their preparation; this is not applicable if they are filed in the Collection of Deeds according to special legislation, i.e. in the Register of Financial Statements according to the Act on Accounting) for more than six months.</li> </ul> <p>See Article 68b (1) (d) and (e) of the Commercial Code.</p> <p>New provisions of Act No. 161/2015 Coll. <b>Non-Contentious Civil Procedure Code</b> concerning proceedings to wind up a legal entity (Articles 309 to 309j) follow up on the aforementioned provisions.</p>	<p>Failure to create or supplement a reserve fund and failure to file individual financial statements in the Collection of Deeds of the Commercial Register and/or in the Register of Financial Statements continue to be the reasons for winding up a company by a court decision.</p> <p>This provision does not contain a reference to any reserve fund, including the legal reserve fund (Article 67, Article 124 (1), and Article 217 (1) of the Commercial Code). Therefore, this provision apparently also applies to a reserve fund referred to in other provisions of the Commercial Code, namely:</p> <ul style="list-style-type: none"> <li>- a special reserve fund for own shares (Article 161d (1) of the Commercial Code),</li> <li>- a special reserve fund for shares of a controlling entity acquired by a controlled entity (for example, a subsidiary acquires shares of its parent company, Article 161f (2) of the Commercial Code),</li> <li>- a reserve fund created in certain cases if share capital is reduced by own shares (Article 215b (2) of the Commercial Code).</li> </ul> <p>The <b>Explanatory Statement</b> reads as follows:</p> <p>Article 68b (1) (d) incorporates the standard rule according to which a breach of the rules applicable to the creation of own resources is the reason for winding up a company. Article 68b (1) (e) demonstrates that the obligation to file financial statements in the Commercial Register (often via the Register of Financial Statements) is the key obligation of a company. Compared to the current state of affairs, the rule referring to two successive financial statements no longer applies, as all financial statements should be filed in the Collection of Deeds of the Commercial Register.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Completion of liquidation</b> (Article 75j (1) of the Commercial Code)</p>	<p>As of the date of completion of liquidation, the liquidator shall prepare <b>financial statements</b> and present them for approval to shareholders/members or the company body authorized to decide on winding up the company, along with the final report on the course of liquidation and a proposal for distribution of the remaining assets resulting from liquidation (liquidation balance) among the shareholders/members (Article 75 (1) of the Commercial Code).</p> <p>The Commercial Code does not lay down any minimum time limit that would have to elapse:</p> <ul style="list-style-type: none"> <li>- from the date of winding-up of the company and/or the date of the company's entry into liquidation or the date on which the liquidator notifies all known creditors of the company's entry into liquidation according to Article 73 of the Commercial Code,</li> <li>- until the date of completion of liquidation.</li> </ul>	<p>As of the date of completion of liquidation, <b>but not earlier than six months following the notification that the company has entered into liquidation</b>, the liquidator shall prepare <b>financial statements</b>, the final report on the course of liquidation and a proposal for distribution of the liquidation balance among those entitled to the liquidation balance (Article 75j (1) of the Commercial Code).</p>	<p>This amendment has introduced the <b>minimum time limit</b> that must elapse:</p> <ul style="list-style-type: none"> <li>- from the date on which the liquidator notifies all known creditors of the company's entry into liquidation immediately after the company has entered into liquidation (convocation of creditors, Article 75c of the Commercial Code),</li> <li>- until the date of completion of liquidation,</li> </ul> <p>and this time limit is <b>six months</b> (Article 75j (1) of the Commercial Code).</p> <p>The <b>Explanatory Statement</b> reads as follows: In principle, the moment of completion of liquidation is determined by the liquidator and derives from the satisfaction of creditors' claims. However, the Act should prevent proceedings that might accelerate the entire process in such a way that the creditors would be harmed. Therefore, the minimum time limit of six months from convocation has been laid down for the commencement of the process of liquidation.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<b>Liquidation – revaluation of assets and liabilities to their fair value</b>	<p>The carrying value of assets and liabilities of a company in liquidation is usually different from their fair value. For example, the carrying value of assets (for example, real estate) is often lower than their fair value. Neither the Commercial Code nor accounting legislation consider revaluation of these assets to a higher fair value - neither in the financial statements prepared as of the date preceding the date of entry into liquidation nor in the opening balance sheet as of the date of entry into liquidation, nor during liquidation or in the financial statements as of the date of the completion of liquidation. This means that revaluation of assets in the accounting books to a higher fair value is not permitted. However, if their fair value is lower than their carrying value, value adjustments are created.</p>	<p>No change.</p>	<p>The <b>Explanatory Statement</b> regarding Article 75g of the Commercial Code (this provision regulates the list of assets to be prepared by the liquidator) reads as follows: Regarding the requirements in respect of the content of the list of assets defined in the draft implementing regulation, the author of the amendment considers it necessary to point out that the value of assets contained therein should be predominantly determined on the basis of a <b>professional estimate</b> of the liquidator (while taking the accounting records into consideration), which the liquidator should, of course, prepare while abiding by the principle of proper professional care; in this context, this primarily means that the liquidator will collect and take into account all available information and surveys regarding, for example, the development of real estate prices in the respective area. If the character of the assets subject to liquidation so requires, it is, of course, within the powers of the liquidator to also use an <b>expert opinion</b> to determine the value of the assets, while abiding by the principle of proper professional care.</p> <p>This means that the liquidator should consider the higher fair value of assets, even though the assets are not revalued to a higher amount in the accounting books.</p>
<b>Additional liquidation</b> (Article 75k of the Commercial Code)	<p>Not regulated.</p>	<p><b>Additional liquidation</b> is regulated by Article 75k of the Commercial Code. Here are some selected provisions:</p> <ul style="list-style-type: none"> <li>- If a company has been deleted from the Commercial Register without a legal successor, and <b>if company assets that should have been subject to liquidation or bankruptcy are identified</b>, the court shall decide, following a petition by a person that has a proven legal interest in additional liquidation being ordered, to order additional liquidation of the company assets and appoint a liquidator for this purpose.</li> <li>- Additional liquidation shall be <b>ordered by the court</b>.</li> <li>- During the duration of additional liquidation, the company shall use its business name with the suffix <b>“in additional liquidation.”</b></li> <li>- After the <b>renewal of the registration</b> of the company in the Commercial Register, the legal entity shall be deemed <b>not to have been dissolved</b>.</li> </ul>	<p>The <b>Explanatory Statement</b> reads as follows: The proposed legislation clarifies certain issues to which case law only provided lengthy and complicated solutions in practice. It is still based on the assumption that a company is dissolved following its deletion, but a situation may arise where certain assets still exist even after the deletion (irrespective of their legal form). Legislation regulating additional liquidation of assets defines the procedure for the settlement of the property rights and obligations of the dissolved legal entity.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>

## Changes in the Commercial Code

Description	Previous legislation	New legislation	Substance of change
<p><b>Liquidation – transitional provisions</b> (Article 768s of the Commercial Code)</p>	n/a	<p>The provisions concerning liquidation have been reworked, almost all of them – appointment of a liquidator, the liquidator, termination of the liquidator's duties, the responsibilities of the liquidator, down payment for liquidation, remuneration of the liquidator and reimbursement of expenses, effects of a company's entry into liquidation, a notification regarding entry into liquidation, and an invitation to lodge claims, lodging of claims, a list of claims, extraordinary financial statements, a list of assets, the duties of the liquidator in the event of over-indebtedness, satisfaction of claims, completion of liquidation, additional liquidation etc. These will not be discussed in this News.</p> <p>The acts of liquidation where the liquidator is registered in the Commercial Register before 30 September 2020 shall be completed according to this Act in the wording effective until 30 September 2020 (Article 768s (7) of the Commercial Code).</p> <p>In such cases, the liquidator must file a list of assets prepared according to this Act in the wording effective from 1 October 2020 in the Collection of Deeds by 30 December 2020 at the latest, based on the balance of assets determined by 30 September 2020 (Article 768s (8)).</p> <p>If the liquidator fails to fulfill the obligation referred to in paragraph 8 in time, the company or cooperative shall be assumed to go bankrupt (Article 768s (9)).</p>	<p>The registration court, in cooperation with the Justice Ministry of the Slovak Republic, shall delete from the Commercial Register the registered entities which entered into liquidation prior to 1 October 2016 and are assumed to go bankrupt according to paragraph 9 [Article 768s (2) (b)].</p> <p>There are several transitional provisions in this regard; it is necessary to read them carefully.</p> <p>The <b>Explanatory Statement</b> regarding the transitional provisions reads as follows:</p> <p>This provision is an intertemporal provision relating to the acts of liquidation that commenced prior to the proposed effective date of this Act. The proposed provision also aims to identify which of the acts of liquidation that commenced after the effective date of this draft Act can be expected to be successfully completed (particularly in the case of liquidation lasting a long time). It has also been proposed that the assumption of company bankruptcy be regulated in the case where the liquidator fails to fulfill the obligation referred to in Article 768s (8).</p>



## Changes in the Act on Accounting

Description	Previous legislation	New legislation	Substance of change
<b>Additional liquidation – accounting entity</b> (Article 1 (1) of the Act on Accounting)	n/a	<p>Section 4 in the following wording shall be added to Article 1 (1) (a) regarding the extent, method and supportability of bookkeeping:</p> <p>4. a company and a cooperative from the date of renewal of the registration of the company and the cooperative in the Commercial Register by reason of additional liquidation being ordered until the date of deletion of the company and the cooperative from the Commercial Register by reason of additional liquidation being completed.</p>	<p>The <b>Explanatory Statement</b> reads as follows:</p> <p>In the context of the wording of Article 75k of the Commercial Code concerning <b>additional liquidation</b> of a company and the renewal of the registration of the company in the Commercial Register, it has been laid down that a company shall <b>become an accounting entity</b> as of the date of renewal of the registration in the Commercial Register by reason of additional liquidation. In this case, the accounting period of the accounting entity begins on the date of registration in the Commercial Register and ends on the date of deletion from the Commercial Register.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>
<b>Additional liquidation – accounting period</b> (Article 16 (7) of the Act on Accounting)	n/a	<p>The following sentence shall be added to Article 16 (7):</p> <p>If <b>additional liquidation</b> <sup>21a)</sup> has been ordered, the accounting period shall begin <b>on the date of renewal of the registration</b> of the accounting entity in the Commercial Register <sup>21a)</sup> and end <b>on the date of deletion</b> of the accounting entity from the Commercial Register by reason of the completion of additional liquidation.</p> <p>Footnote 21a) refers to Article 75k of the Commercial Code.</p>	<p>The <b>Explanatory Statement</b> reads as follows:</p> <p>Based on the <b>renewal of the registration</b> in the Commercial Register according to Article 75k of the Commercial Code by reason of additional liquidation, an accounting period begins for the accounting entity. As of that date, the accounting entity should open its accounting books and prepare an <b>opening balance sheet</b>, which should contain the opening balances of balance sheet accounts <b>equal to the closing balances of the balance sheet accounts from the last prepared financial statements</b>. By reason of additional liquidation, the accounting period ends <b>on the date of deletion</b> of the accounting entity from the Commercial Register.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p> <p>According to the <b>transitional provisions</b> of Article 39t (1) of the Act on Accounting, Article 16 (7) shall be used for the first time with respect to an accounting entity whose additional liquidation was <b>ordered after 30 September 2020</b>.</p>

## Changes in the Act on Accounting

Description	Previous legislation	New legislation	Substance of change
<p><b>Closing of the accounting books – termination of bankruptcy proceedings, winding-up of an accounting entity by court</b> (Article 16 (4) of the Act on Accounting)</p>	n/a	<p>Sections (f) and (g) in the following wording shall be added to Article 16 (4) concerning the <b>closing of the accounting books</b>:</p> <p>f) as of the date of publication of a notice that the resolution to <b>terminate bankruptcy proceedings</b> due to a lack of assets has entered into full force and effect,<sup>21a)</sup></p> <p>g) as of <b>the date of deletion of the accounting entity</b> from the Commercial Register<sup>20b)</sup> if a <b>decision to wind up</b> the accounting entity has been issued and a notice that the accounting entity is assumed to go bankrupt has been published, while no petition for the appointment of a liquidator has been filed along with a down payment and no petition for bankruptcy has been filed with respect to assets of the accounting entity.<sup>20b)</sup></p> <p>Footnote 20a) refers to Article 20 (5) of Act No. 7/2005 Coll. on Bankruptcy and Restructuring and Article 68 (4) (c) of the Commercial Code.</p> <p>Footnote 20b) refers to Articles 309d to 309h of the Non-Contentious Civil Procedure Code and Articles 68 and 68b of the Commercial Code.</p>	<p>The <b>Explanatory Statement</b> reads as follows: In the context of the provisions of Article 20 of Act No. 7/2005 Coll. on Bankruptcy and Restructuring as amended and the new wording of Article 68 (4) of the Commercial Code, an accounting entity has been made subject to the obligation to <b>close the accounting books</b> by reason of the <b>termination of bankruptcy proceedings</b> due to a lack of assets. The effects of the commenced bankruptcy proceedings will cease after a notice that the resolution to terminate the bankruptcy proceedings due to a lack of assets has entered into full force and effect is published in the Commercial Bulletin and, as of that date, the accounting entity should prepare <b>extraordinary financial statements</b>. Following the provisions of draft Article 68 (5) of the Commercial Code, the court should delete the company from the Commercial Register without undue delay.</p> <p>Following particularly the new wording of Article 68b of the Commercial Code concerning the winding-up of a company by court (and the new wording of Articles 309d to 309h of the Non-Contentious Civil Procedure Code), the accounting entity should close its accounting books as of the date of deletion from the Commercial Register. It should prepare <b>extraordinary financial statements</b> as of the same date.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>
<p><b>Filing of documents in the Register of Financial Statements – after the deletion of the accounting entity</b> (Article 23a (9) of the Act on Accounting)</p>	n/a	<p>The following sentence shall be added to Article 23 (9):</p> <p>The filing of documents according to Article 23 (2) after the deletion of the company and the cooperative from the Commercial Register shall be the responsibility of the <b>last statutory body</b> or of a member of the statutory body registered in the Commercial Register <b>prior to the deletion</b> of the company and the cooperative from the Commercial Register who is authorized to act on behalf of the company and the cooperative to the extent registered in the Commercial Register prior to the deletion of the company and the cooperative from the Commercial Register.</p>	<p>The Explanatory Statement reads as follows:</p> <p>Primarily by reason of:</p> <ul style="list-style-type: none"> <li>- <b>additional liquidation</b> and by reason of</li> <li>- <b>deletion</b> of the company following the <b>winding-up of the company by court</b>,</li> </ul> <p>the financial statements of the accounting entity after the deletion of the company and the cooperative from the Commercial Register shall be filed in the Register of Financial Statements by the last statutory body or by a member of the statutory body registered in the Commercial Register who is authorized to act on behalf of the company and the cooperative to the extent registered in the Commercial Register prior to the deletion of the company and the cooperative from the Commercial Register.</p> <p><b>Effective date:</b> According to Article XX, these changes will enter into force on 1 October 2020.</p>

## Changes in the Act on Accounting

Description	Previous legislation	New legislation	Substance of change
<p><b>Filing of documents in the Register of Financial Statements – transitional provisions</b> (Article 39r (2) of the Act on Accounting)</p>	n/a	<p>The <b>transitional provisions</b> referred to in Article 39t (2) of the Act on Accounting shall have the following wording:</p> <p>If an <b>accounting entity is wound up without liquidation</b> according to special legislation,<sup>49)</sup> the accounting period shall end on the date of deletion of the company and the cooperative from the Commercial Register. Financial statements for this accounting period shall be filed, within the time limit referred to in Article 17 (5), by the <b>last statutory body</b> or by a member of the statutory body registered in the Commercial Register <b>prior to the deletion</b> of the company and the cooperative from the Commercial Register who is authorized to act on behalf of the company and the cooperative to the extent registered in the Commercial Register prior to the deletion of the company and the cooperative from the Commercial Register.</p> <p>Footnote 49) refers to the <b>transitional provisions</b> of Article 768s (2) (b) and (c) and (9) of the Commercial Code.</p>	<p>The <b>Explanatory Statement</b> reads as follows: After an <b>accounting entity is wound up without liquidation</b> according to special legislation from 1 July 2020 (during the course of the legislative process, 1 July 2020 was changed to 1 October 2020 – author’s note), the accounting period will end on the date of deletion of the company and the cooperative from the Commercial Register and the financial statements shall be filed, within the time limit referred to in Article 17 (5), by the statutory body or by a member of the statutory body last registered in the Commercial Register who is authorized to act on behalf of the company and the cooperative to the extent registered in the Commercial Register prior to the deletion of the company and the cooperative from the Commercial Register.</p> <p>We would like to add that according to the transitional provisions of Article 768s (2) (b) and (c) of the Commercial Code, this applies to the following cases:</p> <ul style="list-style-type: none"> <li>- (b) - registered entities that entered into liquidation prior to 1 October 2016 and are assumed to go bankrupt according to paragraph 9,</li> <li>- (c) – registered entities that failed to fulfill the obligation to translate the nominal values of their contributions and the nominal value of share capital from the Slovak currency to euros according to special legislation even by 1 December 2020.</li> </ul>



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