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# FISCAL GUIDE FOR SLOVAK MARKET

January 2015

# 1. CONTENTS

Below you find the types of securities involved and the procedure/s in place.

<b>Securities (*)</b>	<b>Relief at source</b>	<b>Quick Refund</b>	<b>Standard refund</b>
Domestic government bonds (**)	Not applicable	Not applicable	Available (***)
Domestic corporate bonds	Not available	Not applicable	Available (****)
Equity(*****)	Not applicable	Not applicable	Not applicable

## **(\*) IMPORTANT NOTICE**

Under Slovak law, there are holding restrictions on certain categories of investors (i.e. Slovak banks and joint stock companies). It is client's responsibility to ensure to comply with the relevant restrictions, intended to be valid for all type of the aforementioned securities.

(\*\*) Interest paid on Government bonds are no more subject to taxation since 1 January 2013.

(\*\*\*) only for interests paid until 31 December 2012 (taxed at 19%).

(\*\*\*\*) only for interest paid until 30 June 2013 and since 1 January 2014 (in the period between 1 July and 31 December 2013 taxation was abolished).

(\*\*\*\*\*) dividends are not subject to taxation.

**Government bonds (only for interests paid until 31 December 2012)**

Securities	Procedure	Eligible Subject	Required documents	Deadline	Appendix
<b>Government bonds</b>	Standard Refund	<ul style="list-style-type: none"> <li>not residents in the Slovak Republic</li> </ul>	<ul style="list-style-type: none"> <li>SK - MT552</li> </ul>	4 months before the Tax Authorities' deadline which is 10 years after the end of the year in which the interest was paid	1
			<ul style="list-style-type: none"> <li>certificate of residence</li> </ul>		-
			<ul style="list-style-type: none"> <li>SK - power of attorney</li> </ul>		2
			<ul style="list-style-type: none"> <li>copy of certificate of incorporation (if the beneficial owner is a legal entity)</li> </ul>		-
			<ul style="list-style-type: none"> <li>SK – declaration of beneficial ownership (if required by the Slovak Tax Authorities)</li> </ul>		3

**Corporate bonds (only for interests paid until 30 June 2013 and since 1 January 2014)**

Securities	Procedure	Eligible Subject	Required documents	Deadline	Appendix
<b>Corporate bonds</b>	Standard Refund	<ul style="list-style-type: none"> <li>not residents in the Slovak Republic</li> </ul>	<ul style="list-style-type: none"> <li>SK - MT552</li> </ul>	4 months before the Tax Authorities' deadline which is 10 years after the end of the year in which the interest was paid	1
			<ul style="list-style-type: none"> <li>certificate of residence</li> </ul>		-
			<ul style="list-style-type: none"> <li>SK - power of attorney</li> </ul>		2
			<ul style="list-style-type: none"> <li>copy of certificate of incorporation (if the beneficial owner is a legal entity)</li> </ul>		-
			<ul style="list-style-type: none"> <li>SK – declaration of beneficial ownership (if required by the Slovak Tax Authorities)</li> </ul>		3

## 2. Standard Refund procedure (for Government bonds)

### 2.1 Eligibility criteria

Standard Refund is applicable to clients holding Slovak domestic government debt securities on behalf of beneficial owners not resident in the Slovak Republic.

### 2.2 Documentation requirements

To apply for a Standard Refund, the client must send us the following documents:

- **A cover letter (MT552)** providing general information about the interest payment(s) and refund(s) claimed
- an original **certificate of residence** (or a notarized copy thereof) valid for the relevant calendar year, issued by the tax authorities in the country of residence of the beneficial owner. The Certificate of Residence is only valid for payments during the calendar year in which it was issued by the tax authorities. All Certificates of Residence will cease to be valid on 31 December of the year in which they are issued by the tax authorities
- a **power of attorney** to be signed by each beneficial owner, requesting Citibank Slovakia, via the tax reclaim, to represent them vis-à-vis the Slovak tax authorities in all tax matters relating to the Standard Refund service
- If the beneficial owner is a legal entity, a copy of the **certificate of incorporation** or other constitutional document confirming that the beneficiary is a legal entity. The Certificate of Incorporation remains valid until revoked
- the Slovak tax authorities may also request a **declaration of beneficial ownership** confirming the beneficial ownership at the date of the coupon payment. If required, client will be requested to provide such a declaration of beneficial ownership signed by the beneficial owner

### 3.3 Deadline for receipt of documentation

To be effective, our team must receive your documentation **as soon as possible after the payment date, and no later than 4 months before the tax authorities' deadline**, which is 10 years after the end of the year in which the interest was paid.

## 3. Standard Refund procedure (for corporate bonds)

### 3.1 Eligibility criteria

Clients may obtain a Standard Refund if they hold Slovak domestic corporate debt securities on behalf of beneficial owners that are resident in a country that has a Double Taxation Agreement (DTA) in place with the Slovak Republic.

For a list of DTA countries, consult the DTA table - Debt securities.

### 3.2 Documentation requirements

To apply for a Standard Refund, the client must send us the following documents:

- **A cover letter (MT552)** providing general information about the interest payment(s) and refund(s) claimed
- an original **certificate of residence** (or a notarized copy thereof) valid for the relevant calendar year, issued by the tax authorities in the country of residence of the beneficial owner. The Certificate of Residence is only valid for payments during the calendar year in which it was issued by the tax authorities. All Certificates of Residence will cease to be valid on 31 December of the year in which they are issued by the tax authorities
- a **power of attorney** to be signed by each beneficial owner, requesting Citibank Slovakia, via the tax reclaim, to represent them vis-à-vis the Slovak tax authorities in all tax matters relating to the Standard Refund service

- If the beneficial owner is a legal entity, a copy of the **certificate of incorporation** or other constitutional document confirming that the beneficiary is a legal entity. The Certificate of Incorporation remains valid until revoked
- the Slovak tax authorities may also request a **declaration of beneficial ownership** confirming the beneficial ownership at the date of the coupon payment. If required, client will be requested to provide such a declaration of beneficial ownership signed by the beneficial owner

### 3.3 Deadline for receipt of documentation

To be effective, our team must receive your documentation **as soon as possible after the payment date, and no later than 4 months before the tax authorities' deadline**, which is 10 years after the end of the year in which the interest was paid.