

CERHA HEMPEL CEE NEWSLETTER *Slovak Republic*

Lex Korona

On 27 July 2020, Act no. 198/2020 Coll. entered into force in the Slovak Republic, which is also simply known as "*Lex Korona*". The main purpose of the Lex Korona is to improve the business environment in Slovakia that was negatively affected in the wake of the COVID-19 pandemic and to reduce the administrative burden on entrepreneurs by introducing a set of amendments to various acts that cover many areas of business. It is estimated that entrepreneurs should save approximately EUR 100,000,000.00 on various expenses due to these amendments. This act consists of 115 measures and comes from the Ministry of Economy of the Slovak Republic, while nine other ministries have also participated in the process of its creation.

It is the largest set of measures adopted to improve the business environment in the modern history of the Slovak Republic. Most of these measures were directly implemented into the texts of the relevant legal acts. The remaining ones will be implemented throughout the months of October, November and December of this year.

Below we have selected a few of the key changes adopted to help local entrepreneurs:

Increased requirements for mandatory financial audits:

For the accounting period beginning on 1 January 2021, each company must meet at least two of the following conditions in order for its auditor to have the financial statements verified:

- a) the total amount of assets must exceed EUR 3,000,000.00;
- b) the net turnover must exceed EUR 6,000,000.00;

- c) the calculated average number of employees for one accounting period must be more than 40.

For the accounting period beginning on 1 January 2022, there will be an even bigger increase in these requirements for financial audits and each company will have to meet at least two of the following conditions:

- a) the total amount of assets must exceed EUR 4,000,000.00;
- b) the net turnover must exceed EUR 8,000,000.00;
- c) the calculated average number of employees for one accounting period must be more than 50.

Revocation of the obligation to have a complaint procedure published in a visible place

Sellers are no longer obliged to elaborate and publish the complaint procedure in a visible place of their premises that must be accessible to their customers. They are still obliged, however, to inform customers of the conditions and method of the complaint.

Revocation of some obligations vis-à-vis the Social Insurance Agency

This mostly concerns the abolition of some notification duties vis-à-vis the Social Insurance Agency. Employers are no longer obliged to notify the SIA of a change in defined personal data of their employees or to notify it of the beginning and end of maternity or parental leave.

Extension of the warranty complaint settlement process

According to the new legislation, if the object of the complaint is handed over to the seller, the period for settlement of the warranty complaint begins on the day of such handover.



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Not every employee is obliged to appoint the employee representative

The obligation to appoint one or more employees as employee safety representatives only applies to those employers who employ at least 10 employees or whose code of statistical classification of business activities is listed in Annex 1 to the Act on Occupational Health and Safety (this includes for example food production, motor vehicle production, furniture production, building construction and more). Those employers who do not meet the abovementioned requirements still have the option of appointing an employee safety representative.

For more information

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