Slovenia

Rank: #58

Slovenia is responsible for 0.21% of the world's corporate tax abuse risks.

CTHI Value: 93

Haven Score: 51.9

How much scope for corporate tax abuse the jurisdictions's tax and financial systems allow. 0 means no scope, 100 means unrestrained scope.

Global Scale Weight: 0.03%

How much of the financial activity conducted by multinational corporations around the world is hosted by the jurisdiction.

The jurisdiction's CTHI value (Corporate Tax Haven Index value) is a measure of how intensely the jurisdiction enables multinational corporations to abuse corporate tax. The jurisdiction is ranked on the index by its CTHI value.

A jurisdiction's CTHI Value is calculated by first grading its tax and financial systems with a Haven Score out of 100 where a zero means the jurisdiction's laws allow no scope for corporate tax abuse and a 100 means they allow unrestrained scope. The jurisdiction's Haven Score is then combined with its Global Scale Weight, ie the volume of financial activity conducted in the country by multinational corporations, to calculate how much corporate financial activity the jurisdiction puts at risk of corporate tax abuse.

A higher CTHI value does not mean a jurisdiction has more aggressive tax laws, but rather that the jurisdiction's laws and its position in the global economy combine to create a greater risk of corporate tax abuse by multinational corporations.

Haven Score breakdown

global average

51.9

LOWEST AVAILABLE CORPORATE INCOME TAX

Haven Indicator 1: LACIT ▲ 46

This indicator identifies the lowest available corporate income tax rate (LACIT) for any large for-profit company that is tax resident in a country. It takes the statutory corporate income tax rate only as a starting point to analyse legal gaps and loopholes that result in lower accessible rates. The scoring of Haven Indicator 1 is computed by scaling that LACIT rate against the spillover risk reference rate of 35% (the highest available corporate income tax rate in a democracy).

ID 505 — Statutory corporate income tax rate ▲

Question: Statutory-CIT-Rate: What is the statutory CIT rate reported by the OECD (or alternatively by IBFD or KPMG)?

Answer: 19 %

Sources:

- KPMG 2020
- OECD Stats 2020a
- https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1
- https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html
- IBFD 2020b
- https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-sloveniahighlights-2020.pdf
- https://tradingeconomics.com/slovenia/corporate-tax-rate
- https://www.fu.gov.si/davki_in_druge_dajatve/podrocja/davek_od_dohodkov_pravnih_oseb_ddpo/

ID 506 — Corporate income tax rate: Correction for size of company ▲

Question: CIT-Rate-Correction-Size: What is the deviating CIT rate, if any, applicable to the largest companies in the jurisdiction?

Answer: Not applicable

ID 507 — Corporate income tax rate: Correction for sectoral exemptions ▲

Question: CIT-Rate-Correction-Sector: What is the lowest deviating CIT rate, if any, applicable to companies in jurisdictions exempting a broad range of sectors (at least four full and/or eight partial exemptions)?

Answer: Not applicable

ID 541 — Corporate income tax rate: Correction for subnational regions ▲

Question: CIT-Rate-Correction-Regions: What is the lowest deviating CIT rate, if any, applicable in the political subdivision/subnational region with the lowest CIT rate?

Answer: Not applicable

ID 542 — Corporate income tax rate: Adjustment for retention or distribution ▲

Question: CIT-Rate-Adjustment-Retention: What is the lowest deviating CIT rate, if any, applicable to distributed or retained profits?

Answer: Not applicable

ID 543 — Corporate income tax rate: Adjustment for specific type of company ▲

Question: CIT-Rate-Adjustment-Type: What is the lowest deviating CIT rate, if any, applicable to specific types of companies?

Answer: Not applicable

ID 544 — Corporate income tax rate: Adjustment for territorial tax base ▲

Question: CIT-Rate-Adjustment-Territorial: What is the lowest deviating CIT rate, if any, applicable to active business income from foreign sources?

Answer: Not applicable

ID 545 — Corporate Income Tax Rate: Adjustment for tax rulings

Question: CIT-Rate-Adjustment-Rulings: What is the lowest deviating CIT rate, if any, derived from documented cross-border unilateral tax rulings issued by the authorities in the jurisdiction?

Answer: Not applicable

ID 587 — Corporate tax residency scope

Question: Corporate tax residency scope: Do the domestic rules for corporate tax residency include as tax resident at least all locally incorporated companies?

Answer: INC & MNG: Yes, all locally incorporated companies are considered tax residents, and in addition some foreign-incorporated companies are considered tax resident (e.g. those with effective management and control in the jurisdiction).

Notes:

- To be considered a tax resident in Slovenia, a company must have either i) the registered office/business seat/legal seat of the company located in Slovenia, or, ii) the place of actual management of the legal person is located in Slovenia (IBFD 2020b; 1.1.5.; Deloitte 2020a; GF 2014: 16). In order to ascertain whether all locally incorporated companies are considered tax residents, we must determine whether all locally incorporated companies are required to have their registered office in Slovenia. As it is explained below, the Tax and Companies laws do not provide specific insights with regards to definition of "registered office" or "legal seat". However, registration in the Tax Register is compulsory for locally incorporated or registered companies, and the company must indicate whether it is tax resident in Slovenia. According to the Global Forum, if the company choses to be registered at the Tax Register as non-resident for tax purposes, it must provide its articles of incorporation from the country in which it is incorporated (GF 2014: 24). Thus, because all locally incorporated companies have to register with Slovenia's Tax Register, and because all companies that are registered in Slovenia's Tax Register as non-resident for tax purposes must be incorporated in a foreign country, we conclude that all locally incorporated companies are necessarily tax residents.
- Article 5 of the Corporate Income Tax Act confirms that companies are considered tax resident if it meets one of the two conditions mentioned above ("Zakon o davku od dohodkov pravnih oseb" (ZDDPO-2), as of 2020 : Art. 5). No definition of "registered seat" is provided in the CIT law. Pursuant to the Company Act, locally incorporated companies must include the registered office among information and documents submitted upon registration ("Zakon O Gospodarskih Družbah" (ZGD-1-UPB3), as of 2020: Arts. 183, 199 and 474). Furthermore, registered office or seat ("Sedež družbe") is defined as "the place which is entered in the register as the registered office of the company" (ibid.: Art. 29 [Google translation]). In the following article - relative to the determination of the seat - the law provides that "the place of business may be the place where the company carries on business, or the place where its business is mainly conducted, or the place where the company's management operates" (ibid.: Art. 30 [Google translation]). Under Article 5 of the same law, "companies acquire the status of legal entity by entry in the register" (ibid.: Art. 5). No further guidance or specification with regards to the registered office of locally incorporated companies is provided in the Company Act, or the Code of Obligations ("Obligacijski zakonik" (OZ), as of 2020).
- However, when we analyse registration requirements for "non-resident" companies, additional insights are provided. According to the Global Forum, all legal entities that are registered in Slovenia are entered in the Tax Register (GF 2014: 29), and companies must be registered in the Court Register in order to acquire legal personality (ibid: 23). Furthermore, the Global Forum informs that when being entered in the Tax Register, legal entities that are non-resident of Slovenia need to provide the articles of incorporation from the jurisdiction where they are incorporated (ibid.: 30). Thus, "non-resident" companies registration seems to require having been incorporated in another jurisdiction. On the official website of the Financial Administration, additional information is available with regards to the entry in the tax register by a company (fu.gov.si). On the "Details" document, it confirms that Tax Registration is done "ex officio" (automatically) by the financial office on the basis of data from other registers or records of the Republic of Slovenia (ibid.). The document references form DR-04, which all companies must submit (ibid.). In this form, it is required to indicate the full address of the head office, as well as the "registration authority", and any registration number assigned by such authority (edavki.durs.si). Importantly, information on residence status is required, and if the company being registered indicates that it is not resident in the Republic of Slovenia, then it must indicate its country of residence and tax identification number in such country of residence (ibid.). Thus, although no specification of residence is made under tax and companies law, administrative requirements derived from company registration provide strong indications that companies that are not considered tax residents in Slovenia must have been incorporated in a foreign country. For the purposes of the Corporate Tax Haven Index, such foreign-incorporated companies would fall under the responsibility of the country of incorporation. Because all companies that are not considered residents under domestic law must necessarily be incorporated in a foreign country, we conclude that it is not possible for a locally incorporated company to be considered non-resident. Thus, all locally incorporated companies, as well as foreign companies with effective management in Slovenia, are considered tax residents therein.

Sources:

- IBFD 2020b; Deloitte 2020a; PWC 2020a; GF 2014
- https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/Slovenia%20Tax%20Residency.pdf
- https://read.oecd-ilibrary.org/taxation/global-forum-on-transparency-and-exchange-of-information-for-tax-purposes-peer-reviews-slovenia-2014_9789264210158-en#page25
- https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2009-01-3036/#29.%C2%A0%C4%8Dlen
- http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO4687#
- http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO1263
- https://www.fu.gov.si/en/taxes_and_other_duties/work_with_us/entry_into_the_tax_register_and_tax_number/#c426
- https://edavki.durs.si/OpenPortal/Dokumenti/dr_04.i.en.pdf

LOOPHOLES AND GAPS

Haven Indicator 2: Foreign Investment Income 50

This indicator assesses whether a country includes worldwide capital income in its corporate income tax base and if its domestic law grants unilateral tax credits for foreign tax paid on certain foreign capital income.

ID 555 — Double taxation relief, dividends, related parties

Question: *Legal Person, Resident, Related Party: Dividends

Answer: Exemption.

Notes:

- Except for 5 per cent of dividends which are not exempt but taxed (IBFD 2020b, 7.2.1.3).

Sources:

- IBFD 2020b

ID 554 — Double taxation relief, royalties

Question: Legal Person, Resident: Royalties

Answer: Credit.

Notes:

- Slovenia implements the credit method for the relief of taxes paid for foreign portfolio royalty income (IBFD 2020b; 7.2.6.3.).

Sources:

- IBFD 2020b

ID 553 — Double taxation relief, interest

Question: *Legal Person, Resident: Interest

Answer: Credit.

Notes:

- Slovenia implements the credit method for the relief of taxes paid for foreign portfolio interest income (IBFD 2020b: 7.2.6.3.).

Sources:

- IBFD 2020b.

ID 552 — Double taxation relief, dividends, independent parties

Question: *Legal Person, Resident, Independent Party: Dividends

Answer: Exemption.

Notes:

- Except for 5 per cent of dividends which are not exempt but taxed (IBFD 2020b, 7.2.1.3).

Sources:

- IBFD 2020b

Haven Indicator 3: Loss Utilisation

38

This indicator measures whether a jurisdiction provides loss carry backward and/or unrestricted loss carry forward for ordinary and trading losses. Capital losses fall outside the scope of this indicator.

ID 509 — Loss carry backward

Question: Loss Carry Backward: Does the jurisdiction allow loss carry backward?

Answer: No

Notes:

- In Slovenia, loss carry-backward is not allowed (IBFD 2020b: 1.8.1.).

Sources:

- IBFD 2020b
- Deloitte 2020a
- https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-sloveniahighlights-2020.pdf

ID 510 — Loss carry forward

Question: Loss Carry Forward: Does the jurisdiction restrict loss carry forward independent of change of ownership?

Answer: Yes, loss carry forward is limited only by annual ceiling (minimum tax).

Notes:

- In Slovenia, losses may be carried forward indefinitely. However, there is an annual ceiling. A maximum 50 percent of taxable earnings of subsequent years can be offset against incurred loss (IBFD 2020b: 1.8.1.).

Sources:

- IBFD 2020b

Haven Indicator 4: Capital Gains Taxation

73

This indicator measures the extent to which a jurisdiction taxes corporate capital gains arising from the disposal of domestic and/or foreign securities (i.e. shares and bonds). As such, it assesses the lowest available tax levied on corporate capital gains, applicable for large for-profit corporations which are tax resident in the jurisdiction, irrespective of whether the capital gains are taxed as part of corporate income tax or as part of another type of tax, such as wealth tax or an independent capital gains tax.

ID 513 — Domestic securities capital gains taxation

Question: Domestic Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of domestic securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

Answer: 9.5 %

Notes:

- 50% of capital gains from the disposal of shares or other capital holdings in qualified companies are not taxed, provided that several conditions are met (e.g. shares represent a participation of at least 8% of the capital or the voting rights in the company and have been held for at least 6 months). Such a partial exemption applies also for capital gains from a foreign source excluding from low-tax jurisdictions. Hence, the tax rate is 9.5% (i.e., 50% of 19% corporate tax rate). In addition, capital gains from the disposal of own shares are not taxable (IBFD 2020b: 1.10.1., 6.1.6.2. and 7.2.1.5.).

Sources:

- IBFD 2020b.

ID 514 — Foreign securities capital gains taxation

Question: Foreign Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of foreign securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

Answer: 9.5 %

Notes:

- See note above.

Sources:

- IBFD 2020b

Haven Indicator 5: Broad Exemptions 63

This indicator measures the availability of broad exemptions from corporate income tax (CIT). It covers exemptions applicable to companies engaged in specific activities or sectors.

ID 524 — Real estate investment sector tax exemption (passive)

Question: Real Estate Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in real estate?

Answer: Unknown

Notes:

- Although investment funds are tax exempt (see note for ID 525 below), it is unclear whether exempt activities include investment in real estate (IBFD 2020b).

Sources:

- IBFD 2020b

ID 525 — Financial investment sector tax exemption (passive)

Question: Other Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in assets other than real estate?

Answer: Full: Yes, there are full tax exemptions.

Notes:

- Investment fund companies that distribute at least 90% of the profit generated during the tax year are taxed at a 0% rate. (IBFD 2020b: 12.) (IE 2018) Investment funds may thus be fully exempt from CIT.

Sources:

- IBFD 2020b
- IE 2018

ID 526 — Extractive sector tax exemption

Question: Extractives (active): Are there any (partial) tax exemptions applicable to companies active in the extractives sector (oil, gas, mining)?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 527 — Agriculture and farming sector tax exemption

Question: Agriculture and farming (active): Are there any (partial) tax exemptions applicable to companies active in the agricultural and farming sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 528 — Manufacturing sector tax exemption

Question: Manufacturing (active): Are there any (partial) tax exemptions applicable to companies active in the manufacturing sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 529 — Construction sector tax exemption

Question: Construction (active): Are there any (partial) tax exemptions applicable to companies active in the construction sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 530 — Infrastructure sector tax exemption

Question: Infrastructures (active): Are there any (partial) tax exemptions applicable to companies active in the infrastructures sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 531 — Transportation and storage sector tax exemption

Question: Transportation and storage (active): Are there any (partial) tax exemptions applicable to companies active in the transportation and storage sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 532 — Distribution sector tax exemption

Question: Distribution (active): Are there any (partial) tax exemptions applicable to companies active in the distribution sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 533 — Accommodation, food and recreation sector tax exemption

Question: Accommodation, food and recreation (active): Are there any (partial) tax exemptions applicable to companies active in the accommodation, food and recreation sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 534 — Information and telecom sector tax exemption

Question: Information and telecom (active): Are there any (partial) tax exemptions applicable to companies active in the information and telecom sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 535 — IT services sector tax exemption

Question: IT services (active): Are there any (partial) tax exemptions applicable to companies active in the IT services sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 536 — Banking and insurance sector tax exemption

Question: Banking and insurance (active): Are there any (partial) tax exemptions applicable to companies active in the banking and insurance sector?

Answer: Full: Yes, there are full tax exemptions.

Notes:

- Insurance companies regulated under the law for pension and disability insurance are subject to a 0% special rate provided qualifying activities are undertaken. (IBFD 2020b, 12.)

Sources:

- IBFD 2020b : 12.

ID 537 — Professional and technical services sector tax exemption

Question: Professional and technical services (active): Are there any (partial) tax exemptions applicable to companies active in the professional and technical services sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

ID 538 — Business services sector tax exemption

Question: Business services (active): Are there any (partial) tax exemptions applicable to companies active in the business services sector?

Answer: None: No, there are no specific exemptions.

Sources:

- IBFD 2020b

Haven Indicator 6: Economic Zones and Tax Holidays 0

This indicator measures whether and to what extent time-bound or geographically confined tax incentives are available in a country. It measures if these incentives offer partial or full exemptions from corporate income tax (CIT) and/or capital gains tax (CGT). This includes temporary tax holidays and special tax incentives (temporary or permanent) given to companies located in designated economic zones.

ID 540 — Tax holidays, non-economic zones, full exemption

Question: NonEZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

Answer: 0

Sources:

- IBFD 2020b

ID 539 — Tax holidays, non-economic zones, partial exemption

Question: NonEZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

Answer: 0

Sources:

- IBFD 2020b

ID 504 — Permanent, economic zones, full exemption

Question: EZ-Permanent-Full: How many permanent and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- Slovenia has six free zones in its territory. (IBFD 2020f, 7.1.) There is, however, no indication of profits-based tax incentives being offered in such zones. (IBFD 2020b)

Sources:

- IBFD 2020b
- IBFD 2020f

ID 503 — Permanent, economic zones, partial exemption

Question: EZ-Permanent-Partial: How many permanent and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID504].

Sources:

- IBFD 2020b

ID 502 — Tax holidays, economic zones, full exemption

Question: EZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID504].

Sources:

- IBFD 2020b

ID 501 — Tax holidays, economic zones, partial exemption

Question: EZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

Answer: 0

Notes:

- See note above [ID504].

Sources:

- IBFD 2020b

Haven Indicator 7: Patent Boxes 0

This indicator measures whether a jurisdiction offers preferential tax treatment for income related to intellectual property rights (e.g. patent boxes) and whether the Organisation for Economic Co-operation and Development (OECD) nexus approach constraints are applicable to the patent box.

ID 515 — Patent box

Question: Patent Box: Does the jurisdiction offer preferential tax treatment for income related to intellectual property?

Answer: No, there is no exemption or a lower CIT for IP-income.

Notes:

- There is no patent box regime in Slovenia (IBFD 2020b: 1.9.3.; EU Code of Conduct 2020: 58-59).

Sources:

- IBFD 2020b
- EU Code of Conduct 2020

Haven Indicator 8: Fictional Interest Deduction 0

This indicator measures whether a jurisdiction offers fictional interest deduction to lower the corporate income tax. Because the deduction is given even though no actual interest was paid, the interest deduction is referred to as "fictional" or "nominal". Fictional interest deduction allows a company with a capital structure with high equity (i.e. mostly financed by issuing shares instead of borrowing money) to deduct a certain sum of fictitious financial costs from its tax base.

ID 516 — Fictional interest deduction

Question: Fictional Interest Deduction: Does the jurisdiction offer a scheme that allows deducting from the corporate income tax base a notional return on equity?

Answer: No

Sources:

- IBFD 2020b
- EU Code of Conduct 2019

TRANSPARENCY

Haven Indicator 9: Public Company Accounts 0

This indicator considers whether a country requires all available types of company with limited liability (except for small companies) to keep accounts according to the international standard and to file their accounts with a government authority and to make them accessible online for free or at a low cost.

ID 188 — Compliance with international standard on keeping accounting records

Question: *Is there an obligation to keep accounting data?

Answer: Yes

Notes:

- The Global Forum reported that in Slovenia, all relevant entities and arrangements must keep proper accounts including underlying documentation (GF 2014: 50-54).

Sources:

- GF 2014: 50-56
- https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-sloveniahighlights-2020.pdf
- https://www.nordeatrade.com/en/explore-new-market/slovenia/accounting?vider_sticky=oui

ID 189 — Submission of annual accounts to a government authority

Question: *Are annual accounts submitted to a public authority?

Answer: Yes, there is an obligation to submit annual accounts for all types of companies.

Notes:

- The Global Forum reports that companies should submit their annual accounts to a public authority (GF 2014: 50).

Sources:

- GF 2014: 50
- https://www.nordeatrade.com/en/explore-new-market/slovenia/accounting?vider_sticky=oui

ID 201 — Online availability of annual accounts / financial statements

Question: *Are annual accounts available on a public online record (up to 10 €/US$/GBP)?

Answer: OPEN: Yes, company accounts are always online for free & in open data format.

Notes:

- Company information can be obtained for free. Balance sheets and income statements were available for all the companies we checked and can be viewed online, printed in PDF or downloaded in xlsx. According to OpenCorporates, the data is available in open data format (registries.opencorporates.com).

Sources:

- http://www.ajpes.si/jolp/default.asp
- http://registries.opencorporates.com/jurisdiction/si

Haven Indicator 10: Public Country By Country Reporting (CBCR) 50

This indicator measures whether the companies listed on the stock exchanges or involved in certain sectors (eg extractives) or incorporated in a given jurisdiction are required to publish publicly worldwide financial reporting data on a country-by-country reporting basis.

ID 318 — Public country-by-country reporting standard

Question: *CBCR: Are companies listed on the national stock exchange or incorporated in the jurisdiction required to comply with a worldwide country-by-country reporting standard?

Answer: Yes, partial disclosure for both extractives and banking sector.

Notes:

- Under the European Union's country-by-country reporting rules for the extractive industries and logging of primary forests, member states "shall require large undertakings and all public-interest entities active in the extractive industry or the logging of primary forests to prepare and make public a report on payments made to governments on an annual basis," according to article 42 of the European Directive (2013/34/EU). European Union member states were required to issue enforcing rules of the Directive by July 2015 and reporting began for financial years commencing on or after 1 January 2016 (Article 53, 2013/34/EU Directive).
- In the banking sector, European Union member states have been required to ensure all banks disclose annually from 1 January 2015, as specified in the Capital Requirements Directive IV (Art. 89, Directive 2013/36/EU).

Sources:

- http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0034&from=EN
- Article 42 ('Undertakings required to report on payments to governments') & 53 ('Transposition'), Directive 2013/34/EU
- http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0036&from=EN
- Art. 89 ('Country-by-country reporting'), Directive 2013/36/EU
- Email communication with Eurodad, 09.09.2020

Haven Indicator 11: Robust Local Filing of Country By Country Reporting (CBCR)

100

This indicator assesses whether a jurisdiction, going beyond the OECD standard, ensures its own access to the country-by-country reports of any relevant foreign multinational enterprises with domestic operations. Access is ensured if the jurisdiction requires country-by-country reports to be filed locally by the local subsidiary or branch of a foreign multinational enterprise whenever the jurisdiction does not obtain these reports through the automatic exchange of information for whatever reason.

ID 419 — Robust local filing of country-by-country reporting

Question: *CBCR: Is there a local filing requirement of a global country-by-country reporting file (according to OECD's BEPS Action 13) by large corporate groups (with a worldwide turnover higher than 750 million Euro) and local subsidiaries of foreign groups?

Answer: OECD Legislation: Secondary mechanism is subject to restrictions imposed by OECD model legislation; or no secondary mechanism at all (only the domestic ultimate parent entity has to file the CbCR)

Notes:

- "No inconsistencies were identified with respect to the limitation on local filing obligation." (OECD CBCR 2018: 662). "No changes were identified with respect to the limitation on local filing obligation" (OECD CBCR 2019: 481). This was confirmed in 2020 (OECD CBCR 2020: 365).

Sources:

- OECD CBCR 2018
- OECD CBCR 2019
- OECD CBCR 2020

Haven Indicator 12: Unilateral Cross-Border Tax Rulings

100

This indicator measures whether and to what extent a country publishes online unilateral cross-border tax rulings; and for countries with extractive industries, whether extractive industries contracts are published.

ID 363 — Tax rulings availability

Question: *Tax Rulings: Are unilateral cross-border tax rulings (e.g. advance tax rulings, advance tax decisions) available in laws or regulation, or in administrative practice?

Answer: Yes

Notes:

- According to Slovenia's Ministry of Finance, both unilateral cross-border tax ruling and bilateral / multilateral advance pricing agreements are available (TJN-Survey 2017). The OECD indicates that there are three types of rulings available, "(i) cross-border unilateral advance pricing agreements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (ii) permanent establishment rulings; and (iii) related party conduit rulings" (OECD UTR 2019: 397).

Sources:

- TJN-Survey 2017
- OECD UTR 2018: 420
- IBFD 2020b
- OECD UTR 2019: 397

ID 421 — Tax rulings disclosure

Question: *Tax Rulings: Are all unilateral crossborder tax rulings (e.g. advance tax rulings, advance tax decisions) published online for free, either anonymised or not?

Answer: Unknown

Notes:

- According to Slovenia' Ministry of Finance, all unilateral crossborder tax rulings (e.g. advance tax rulings, advance tax decisions) are published online for free (TJN Survey-2017). However, no evidence for the publication of these rulings was found on the website of the Financial Administration of Slovenia nor on any other website. As of October 2020, there is still no evidence to be found that these rulings are published online in practice.

Sources:

- TJN Survey-2017
- OECD UTR 2019

ID 561 — Mining contracts disclosure in law

Question: *Mining contracts in law: Are all extractive industries mining contracts required by law to be disclosed?

Answer: Not Applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020
- https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=4

ID 562 — Mining contracts disclosure in practice

Question: *Mining contracts in practice: Are all extractive industries mining contracts published online in practice?

Answer: Not applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020
- https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=41

ID 563 — Petroleum contracts disclosure in law

Question: *Petroleum contracts in law: Are all extractive industries petroleum contracts required by law to be disclosed?

Answer: Not Applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020
- https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=0

ID 564 — Petroleum contracts disclosure in practice

Question: *Petroleum contracts in practice: Are all extractive industries petroleum contracts published online in practice?

Answer: Not applicable

Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020
- https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=9

Haven Indicator 13: Reporting of Tax Avoidance Schemes 80

This indicator assesses two components of mandatory reporting to tackle tax avoidance schemes: (i) the reporting of tax avoidance schemes, in which we assess whether a country requires both taxpayers and tax advisers to report tax avoidance schemes they have used; and (ii) the reporting of uncertain tax positions, in which we assess whether a country requires taxpayers and tax advisers to report uncertain tax positions for which reserves have been created in annual corporate accounts.

ID 403 — Taxpayers' mandatory reporting of tax avoidance schemes

Question: *Taxpayers reporting schemes: Are taxpayers required to report at least annually on certain tax avoidance schemes they have used?

Answer: No.

Notes:

- On June 2020, Slovenia published regulations implementing the Directive (EU) 2018/822, which obliges intermediaries to file information on reportable cross-border arrangements (assets.kpmg). However, the reporting obligation shifts to the taxpayer only when there is no intermediary or when the intermediary fails to report (Id.). According to the Guidance on reporting of cross-border arrangements (section 1.2): ""In cases where there is no intermediary, or if the intermediary notifies the taxable person or other intermediary in writing of the use of the privilege of professional secrecy, information on the cross-border arrangement to be reported must be provided by another intermediary or, failing that, the taxable person concerned" (orbitax.com).

Sources:

- https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/03/mdr-factsheet-slovenia-march-2020.pdf
- https://www.orbitax.com/news/archive.php/Slovenia-Publishes-Guidance-on-41779

ID 404 — Tax advisers' mandatory reporting of tax avoidance schemes

Question: *Tax advisers reporting schemes: Are tax advisers (who help companies and individuals to prepare tax returns) required to report at least annually on certain tax avoidance schemes they have sold/marketed (if applicable)?

Answer: Yes, but the schemes are only reported to the tax administration (they are not published).

Notes:

- On 25 May 2018, the European Council adopted Directive (EU) 2018/822 (amending Directive 2011/16/EU) as regards mandatory automatic exchange of information in relation to reportable cross-border arrangements) which requires intermediaries such as tax advisers, accountants and lawyers that design and/or promote tax planning schemes to report on schemes that are considered potentially aggressive. Member states had until December 2019 to transpose the directive to internal legislation, and until July 2021 to start exchanging information (eur-lex.europa.eu). On 24 June 2020, following the challenges of COVID-19, the European Council adopted Directive (EU) 2020/876 according to which member states will have an option to defer the filing of information on reportable cross-border arrangements by up to six months. The new Directive, however, does not extend the December 2019 deadline for transposing the Directive (EU) 2018/822 into EU member states internal legislation. In June 2019, Slovenia published regulations implementing the Directive (EU) 2018/822 (assets.kpmg). According to KPMG: "The scope of the regulations is closely aligned with the Directive" (Id.)

Sources:

- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32018L0822
- https://home.kpmg/xx/en/home/insights/2020/04/european-union-tax-developments-in-response-to-covid-19.html
- https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/03/mdr-factsheet-slovenia-march-2020.pdf
- IBFD 2020b, 7.4.2.1.

ID 405 — Taxpayers' mandatory reporting of uncertain tax positions

Question: *Taxpayers reporting uncertain tax positions: Are taxpayers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts?

Answer: No.

Sources:

- IBFD 2020b

ID 406 — Tax advisers' mandatory reporting of uncertain tax positions

Question: *Tax advisers reporting uncertain tax positions: Are tax advisers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts of the companies they advised?

Answer: No.

Sources:

- IBFD 2020b

Haven Indicator 14: Tax Court Transparency 100

This indicator assesses the openness of a jurisdiction's judicial system in tax matters by analysing the public online availability of verdicts, judgements, and sentences.

ID 409 — Criminal tax courts' publication of decisions

Question: *Is the full text of judgements / verdicts issued by criminal tax courts published online for free, or for a cost of up to 10 €/US$/GBP??

Answer: No, full text of verdicts is not always online (up to 10€/US$/GBP)?

Notes:

- Judgments from the Supreme Court and from higher courts are available at the website of the Judiciary of Slovenia (sodisce.si). However, judgments from first instance courts are not available online. According to the European e-justice Portal: "The full texts of the decisions of the Supreme Court of the Republic of Slovenia, all four higher courts of general jurisdiction, the Higher Labor and Social Court and the Administrative Court of the Republic of Slovenia are available free of charge in Slovene on the website http://www.sodnapraksa.si/." The District courts, which are the courts of first instance and have competence to deal with criminal and civil matters, do not have their decisions published online.

Sources:

- http://www.sodnapraksa.si/
- https://e-justice.europa.eu/content_member_state_case_law-13-si-en.do?member=1
- http://www.sodisce.si/sodisca/sodni_sistem/
- Correspondence with Slovenia Ministry of Finance, 27.12.2019

ID 410 — Civil tax courts' publication of decisions

Question: *Is the full text of judgements / verdicts issued by civil tax courts published online for free, or for a cost of up to 10 €/US$/GBP?

Answer: No, full text of verdicts is not always online (up to 10€/US$/GBP)?

Notes:

- Judgments from the Supreme Court and from higher courts are available at the website of the Judiciary of Slovenia (sodisce.si). However, judgments from first instance courts are not available online. According to the European e-justice Portal: "The full texts of the decisions of the Supreme Court of the Republic of Slovenia, all four higher courts of general jurisdiction, the Higher Labor and Social Court and the Administrative Court of the Republic of Slovenia are available free of charge in Slovene on the website http://www.sodnapraksa.si/." The District courts, which are the courts of first instance and have competence to deal with criminal and civil matters, do not have their decisions published online.

Sources:

- http://www.sodnapraksa.si/
- https://e-justice.europa.eu/content_member_state_case_law-13-si-en.do?member=1
- http://www.sodisce.si/sodisca/sodni_sistem/
- Correspondence with Slovenia Ministry of Finance, 27.12.2019

ANTI-AVOIDANCE

Haven Indicator 15: Deduction Limitation of Interest Payments 80

This indicator assesses a country's limitations on the deduction of interest expenses from the corporate income tax base. It focuses on limits placed on interest paid to non-resident group affiliates ("intra-group interest payments"), including by means of a fixed ratio rule.

ID 517 — Outbound intra-group interest deduction limitation

Question: Outbound intra-group interest deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base interest paid to non-resident group affiliates?

Answer: YES, RESTRICTED LAX: Deduction limitation only for payments worth 30% EBITDA or above, and/or any other interest deduction limitation method using a fixed ratio rule.

Notes:

- Slovenia implements thin capitalization rules for intra-group payments that is based on a 4:1 debt/equity ratio has been in force since 2004 (IBFD 2020b: 10.3). The EU Commission has reviewed the Slovenia's existing regime and found it as equally effectively (European Commission 2014). Thus, Slovenia can benefit existing rules until 1 January 2024 at the latest.

Sources:

- IBFD 2020b
- European Commission 2014

ID 518 — Group ratio rule (as part of fixed ratio interest deduction limitation)

Question: Group ratio rule: Does the jurisdiction apply a group ratio rule opt-in alongside fixed ratio limitations on interest deduction?

Answer: NO, group ratio rule opt-in is not applied.

Notes:

- Slovenia has a thin capitalisation regime, but there is no opportunity to increase the thin capitalization ratio based on a worldwide debt-to-equity ratio (IBFD 2020b: 10.3).

Sources:

- IBFD 2020b

ID 519 — Financial undertaking exclusion (as part of fixed ratio interest deduction limitation)

Question: Financial undertaking exclusion: Does the jurisdiction apply a financial undertaking exclusion alongside fixed ratio limitations on interest deduction?

Answer: YES, financial undertaking exclusion is applied.

Notes:

- Slovenia exempts financial undertakings from the scope of the thin capitalisation rule (IBFD 2020b: 10.3).

Sources:

- IBFD 2020b: 10.3

Haven Indicator 16: Deduction Limitation of Royalty Payments 100

This indicator measures whether or to what extent a jurisdiction disallows or restricts the deduction of royalties paid to non-resident group affiliates ("intra-group royalty payments") from the corporate income tax base.

ID 520 — Outbound intra-group royalty deduction limitation

Question: Outbound intra-group royalty deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base royalties paid to non-resident group affiliates?

Answer: NO: No deduction limitation for intra-group royalty payments.

Notes:

- In Slovenia, there is no deduction limitation for intra-group royalty payments beyond the arm's length principle (IBFD 2020b; 1.4.6; 10.2).

Sources:

- IBFD 2020b

Haven Indicator 17: Deduction Limitation of Service Payments 100

This indicator measures whether or to what extent a jurisdiction restricts or disallows the deduction of intra-group services payments (management fees, technical fees, consulting services fees) paid to non-resident group affiliates from the corporate income tax base.

ID 521 — Outbound intra-group services deduction limitation

Question: Outbound intra-group services deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base payments for management, technical, legal or accounting services paid to non-resident group affiliates?

Answer: No, there is no deduction restriction beyond transfer pricing rules, the arm's length principle or other generic rules.

Notes:

- In Slovenia, there is no deduction limitation for intra-group service payments beyond the arm's length principle (IBFD 2020b: 1.4.7; 10.2).

Sources:

- IBFD 2020b

Haven Indicator 18: Withholding Taxes on Dividend Payments 100

This indicator measures the extent to which a jurisdiction levies withholding taxes on outbound dividends. It assesses the lowest available unilateral withholding tax rate on outbound dividend payments.

ID 508 — Dividend-related party payment

Question: Dividend-Related Party Payment: What is the (lowest) applicable unilateral cross-border withholding tax rate for outgoing dividend payments to a related party?

Answer: 0 %

Notes:

- Slovenia exempts dividend payments to qualifying recipients resident in the EU Member States from withholding tax under the conditions laid down in the Parent-Subsidiary Directive (2011/96/EU). Under the treaties between the European Union and Iceland, Liechtenstein, Norway and Switzerland, dividend payments to companies resident in those countries are also exempt from dividend withholding tax (IBFD 2020b: 7.3.4.1).

Sources:

- IBFD 2020b

Haven Indicator 19: Controlled Foreign Company Rules 0

This indicator assesses whether countries apply robust non-transactional controlled foreign company (CFC) rules. CFC rules are a type of specific anti-avoidance rules that target particular taxpayers or transactions. Like other types of specific anti-avoidance rules, CFC rules are more effective than general anti-avoidance rules in capturing the specific type of tax avoidance on which they focus.

ID 522 — Controlled Foreign Company (CFC) rules

Question: CFC-Rules: Does the jurisdiction apply robust non-transactional CFC rules?

Answer: YES, NON-TRANSACTIONAL: Yes, there are non-transactional CFC rules.

Notes:

- There was no CFC legislation in force (IBFD 2018b). However, Slovenia initiated a legislative procedure on 28 September 2018 to comply with the ATAD. The parliament adopted the law and it was published in the Official Gazette on 7 December 2018 (IBFD 2018g). The new CFC rules that are similar to the model A in the ATAD have been in effect from 1 January 2019 (IBFD 2020b: 10.4).

Sources:

- IBFD 2020b
- IBFD 2018b
- IBFD 2018g

DOUBLE TAX TREATY AGGRESSIVENESS

Haven Indicator 20: Treaty Aggressiveness 34

This indicator analyses the aggressiveness of a jurisdiction in their double tax agreements with other countries, as revealed by the withholding tax rates that apply to the payment of dividends, interests and royalties.

ID 571 — Aggregate tax treaty aggressiveness

Question: Aggregate-Aggressiveness: What is the scaled value of all negative differentials between the assessed jurisdiction's treaty withholding rates on all three payment types (dividend, interest and royalty) and those of its treaty partner jurisdiction.

Answer: 34.0860723801977

Global Scale Weight breakdown 0.03%

Inward foreign direct investment (US$)

$ 19,521,096,444

Outward foreign direct investment (US$)

$ 8,550,918,667

Sum of inward and outward foreign direct investment (US$)

$ 28,072,015,111

Global total of sum of inward and outward foreign direct investment (US$)

$ 94,690,323,833,261

Global scale weight (share of jurisdiction's inward and outward foreign direct investment on the global total)

0.0296%