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TAX CASH REGISTERS

PERSONS LIABLE FOR IMPLEMENTING THE PROCEDURE FOR FISCAL VERIFICATION OF INVOICES

Detailed description

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1.0 PERSONS LIABLE FOR FISCAL VERIFICATION OF INVOICES

Persons liable for performing the procedure for fiscal verification of invoices are all persons from the first and second paragraphs of Article 31 of the [Tax Procedure Act \(hereinafter ZDavP-2\)](#), who shall issue invoices at cash operations for supplies of goods or services.

Those taxpayers in cases of supplies, which are in accordance with the [Act on fiscal verification of invoices \(hereinafter ZDavPR\)](#) defined as exceptions from obligations for fiscal verification of invoices, are not considered persons liable for fiscal verification of invoices.

Taxpayers, who issue invoices in various business activities, are not considered persons liable only in connection with issuing of invoices for supplies, which are defined as exceptions on the basis of the ZDavPR.

2.0 CONDITIONS, WHICH PERSONS LIABLE SHALL FULFIL FOR OBLIGATORY APPLICATION OF THE ZDavPR

Persons liable shall for obligatory application of the ZDavPR fulfil three conditions (cumulatively) as follows:

1. condition 1: they shall keep business books and records
2. condition 2: they shall issue invoices for supplies of goods or services (invoices for supplies, which are subject to taxation on the basis of the [Value Added Tax Act \(hereinafter ZDDV-1\)](#) and they shall be issued in accordance with the ZDDV-1, i.e. the invoice, which taxpayers shall issue in accordance with Slovene tax regulations) and
3. condition 3: the supplied goods or services are paid in cash (cash in accordance with Article 2 Item 4 of the ZDavPR).

So from the obligation for the procedure for fiscal verification of invoices on the basis of the ZDavPR all those taxpayers are automatically excluded, who in accordance with the definition of the person liable on the basis of the ZDavPR don't fulfil all above-mentioned conditions for liability for fiscal verification of invoices. This means that those taxpayers are automatically excluded from the procedure for fiscal verification of invoices who:

- don't have to keep business books and records or
- don't have to issue invoices on the basis of the ZDDV-1 (the obligation for issuing invoices on the basis of the ZDDV-1 is not defined) or
- invoices for supplies of goods or services are not paid in cash (payment in cash on the basis of Article 2 Item 4 of the ZDavPR).

If the person liable for invoices or supplies fails to fulfil all three conditions cumulatively, such invoices or supplies are automatically excluded from fiscal verification of invoices. Automatically excluded means that taxpayers, who fail to fulfil all three conditions for individual invoices or supplies cumulatively, are not considered liable for fiscal verification of invoices for such invoices or supplies. Persons liable shall establish the fulfilling of conditions for fiscal verification of invoices for individual invoices or individual supplies, to which invoices refer.

2.1 Condition 1: they shall keep business books and records

This is the obligation for keeping business books and records on the basis of the ZDavP-2 and ZDDV-1.

- a) **The obligation for keeping business books and records in accordance with Article 31 Paragraph 1 of the ZDavP-2**, on the basis of which persons, who shall keep business books and records in accordance with the ZDavP-2 or in accordance with the regulation

issued on its basis, other act or an accountancy standard, shall keep them also for purposes of implementing taxation acts and the ZDavP-2.

The condition of keeping business books and records is fulfilled also by all persons, who shall keep business books and records on the basis of the »non-tax« regulations. In this connection we would like to mention the Companies Act (hereinafter ZGD-1), which states general rules in relation to obligations for keeping business books for certain entities and annual reports, and the obligation for keeping business books is arranged also in other regulations, which arrange the status of certain business entities. The Accounting Act arranges keeping business books and preparation of annual reports for the budget and budget users and for legal persons under public law and legal persons governed by private law, who don't keep business books on the basis of the ZGD-1, *Services of General Economic Interest Act and Societies Act*.

- b) **The obligation for keeping business books and records on the basis of Article 31 Paragraph 2 of the ZDavP-2**, on the basis of which persons, who don't keep business books and records on the basis of Article 31 Paragraph 1 of the ZDavP-2, for purposes from Article 31 Paragraph 1 of the ZDavP-2 shall keep business books and records, prescribed by the minister, responsible for finance.

Keeping business books and records is defined by the [Regulation on business books and other tax records for individuals, who perform business activities \(hereinafter: regulation\)](#). If persons don't keep business books and records on the basis of »non-tax« regulations, they shall keep business books and records in accordance with Article 31 Paragraph 2 of the ZDavP-2. These are all individuals, who perform business activities, which don't include the organisational form of sole proprietorships on the basis of Article 46 of the [Personal Income Tax Act \(hereinafter: ZDoh-2\)](#). These persons keep business books and records in accordance with the regulation. The regulation prescribes types and method for keeping business books, which shall be kept by individuals, who perform business activities. On the basis of this regulation also those persons liable, who establish the tax base on income from business activities with taking norm expenditures into consideration, shall keep certain records (Article 3 Paragraph 1 of the regulation).

In accordance with Article 3 Paragraph 2 of the regulation the exception from keeping business books and records is prescribed for persons liable, farm households according to the provision of Article 69 of the ZDoh-2:

- who perform basic agricultural and basic forestry activities (hereinafter: OKGD),
- for which the tax base on income from business activities is established on the basis of the general assessment of income (according to the cadastral income or general assessment of income per bee hive) and not on the basis of actual revenues and actual expenditures or norm expenditures (exclusion from income from business activities according to Article 47 of the ZDoh-2),
- if they are not identified for purposes of value added tax. Persons liable from Article 3 Paragraphs 1-2 of the regulation, who are taxpayers, identified for purposes of value added tax, shall notwithstanding provisions of this regulation keep records in accordance with the ZDDV-1.

- c) **The obligation for keeping business books and records according to VAT legislation**, in accordance with which business books and records shall be kept by taxpayers, identified for VAT purposes. Keeping business books and records according to VAT legislation for small taxpayers is not envisaged, but they shall comply with the obligation for keeping business books and records on the basis of Article 31 of the ZDavP-2.

In accordance with Article 85 of the ZDDV-1 every taxpayer shall provide sufficiently detailed data in his/her accountancy to enable the accurate and timely VAT settling and tax authorities' supervision over settling and paying VAT. In accordance with Article 147 of the [Regulation on implementation of the ZDDV-1 \(hereinafter: PZDDV\)](#) the accountancy recording is prescribed only for taxpayers, who are identified for VAT purposes.

Special provisions in connection with keeping business books and records according to VAT legislation are not envisaged for taxpayers, who fulfil conditions from Article 94 Paragraph 1 of the ZDDV-1, i.e. for small taxpayers, who are exempt from VAT settling, so Article 31 Paragraph 2 of the ZDavP-2 applies for these cases.

On this basis individuals, who perform business activities and who are considered small taxpayers, shall keep business books and records if this is defined by the regulation. These are sole proprietorships and individuals, who report performing business activities on the basis of other regulations (e.g. notaries, lawyers, journalists and other individuals, who perform business activities). In accordance with the second paragraph of Article 1 of the regulation at these individuals in connection with keeping business books and records the following documents apply: the act, which arranges companies, in the part, which refers to the proprietorship, Slovene Accounting Standards and this regulation.

2.2 Condition 2: they shall issue invoices for supplies of goods or services

Issuing invoices for supplies of goods or services is also one of conditions for liability for performing the procedure for fiscal verification of invoices.

Invoices for supplies, which are subject to taxation on the basis of the ZDDV-1 and shall be issued in compliance with the ZDDV-1, i.e. invoices, which taxpayers shall issue in compliance with Slovene tax regulations, are subject to fiscal verification.

The obligation for issuing invoices for VAT purposes is prescribed already with the ZDDV-1, which arranges taxation of supplies of goods and services with VAT for all persons, who are in accordance with the ZDDV-1 defined as taxpayers for purposes of the ZDDV-1, unless conditions are fulfilled for the exception from the obligation for issuing invoices. It is evident from Article 5 Paragraph 1 of the ZDavPR that invoices, issued on the basis of VAT legislation, are subject to fiscal verification, which defines the content of invoices, which shall comply also with the contents of data, which shall be on the invoice according to the act, which arranges value added tax (invoices shall in addition to data, which are defined with regulations, which arrange value added tax and tax procedure (tax number), include also certain data on the basis of the ZDavPR).

On the basis of the ZDDV-1 taxpayers are all persons, who anywhere independently perform any economic activities notwithstanding the purpose or result of performing business activities. Business activities include every production, manufacture, trade and service business activity, including mining, agricultural and professional business activities. Business activities include also utilization of property and property rights, which is intended for permanent achieving of income. Every person is also considered a taxpayer, who occasionally supplies a new vehicle, which is sent or driven to the buyer by the seller or buyer or another person for their account on the territory of the Union. In this connection it shall be taken into consideration that the ZDDV-1 defines who is not considered a taxpayer. More detailed information is in Item 2.2.1 of this detailed description.

On the basis of VAT legislation taxpayers, identified for VAT purposes (for taxable and exempt supplies) and small taxpayers, who are exempt from VAT settling on the basis of Article 94 of the ZDDV-1, shall issue invoices, except for supplies, for which VAT legislation defines an exception from the obligation for issuing invoices. If taxpayers despite the exception from the obligation for issuing invoices according to the ZDDV-1 or PZDDV issue invoices for such supplies, they don't have to perform fiscal verification for such invoices.

In compliance with the ZDDV-1 every taxpayer shall provide that this person him/herself, recipient or third person in this person's behalf and for this person's account issues the invoice for supply of goods or services, which this person has performed to another taxpayer or legal entity, who is not a taxpayer, as well as for other supplies of goods or services, which this person performs on the territory of Slovenia, in certain cases also for prepayment, which this person receives from the taxpayer, identified for VAT purposes, or small taxpayer before the supply performed. If the taxpayer has not yet issued the invoice for the prepayment received, but until the time limit for submission of VAT return for the tax period, in which this person has received the prepayment, this person has issued the invoice for the performed supply or services, this person doesn't have to issue an invoice for the prepayment on the basis of VAT legislation (in connection with VAT return the ZDDV-1 defines that the taxpayer shall charge VAT on every prepayment, received before the performed supply). The ZDDV-1 prescribes the content of the invoice, which is issued by the person liable for VAT, and the content of simplified invoices, which may be issued by taxpayers to another taxpayer or legal entity, which is not a taxpayer, if the amount on the invoice (without VAT) is not higher than 100 EUR, or if the invoice is issued by the taxpayer to final consumers for supplies of goods or services, which this person has performed on the territory of Slovenia, and for other documents or messages, which change the original invoice and refer to it unambiguously (reversings, credit notes, debit notes). The content of the invoice, issued by the small taxpayer, is defined by Article 141 of the PZDDV.

Every document or message, which changes the original invoice and refers to it unambiguously (e.g. reversing of the invoice, credit note, debit note), is also considered as the invoice.

Invoices may be issued in paper or electronic form. More detailed information in relation to issuing invoices according to VAT legislation is stated in [the detailed description Invoices](#).

Personal supplementary work

For persons, who perform personal supplementary work, the obligation for issuing invoices is based in Article 5 of the [Regulation on personal supplementary work](#), but the obligation is not established for keeping business books and records in accordance with Article 31 of the ZDavP-2. This obligation is not emphasized by the [Prevention of Illegal Work and Employment Act](#) nor by the regulation, issued on the basis of the ZDavP-2, which defines keeping business books for certain persons or other legislation. In accordance with the ZDoh-2 income from personal supplementary work are treated as income from the other contract relationship, notwithstanding the fact whether they are performed in connection with dependent or independent performing of business activities. Individuals – small taxpayers in accordance with Article 94 Paragraph 1 of the ZDDV-1, who perform personal supplementary work, which is on the basis of the ZDDV-1 considered as independent performing of business activities and who are not identified for VAT purposes, don't fulfil conditions from Article 31 of the ZDavP-2 in connection with keeping business books and records. In the above-mentioned cases persons, who perform personal supplementary work, are not persons liable for implementation of the procedure for fiscal verification of invoices.

Farm households

Farm households, which enter into VAT system, are also considered entities liable for implementation of the procedure for fiscal verification of invoices in cases of cash operations, because in these cases they shall issue invoices for VAT purposes and keep business books and records on the basis of the ZDDV-1 and ZDavP-2. Farm households, where flat-rate taxation is applied in connection with OKGD, but they have registered supplementary work on farms and they are not in VAT system in connection with OKGD nor supplementary work, shall issue invoices for their supplementary work because this work in cases where OKGD has flat-rate taxation is treated as independent work, for which income in accordance with the ZDoh-2 is established on the basis of accountancy (as difference between actual income and actual expenditure or between actual income and norm expenditures). At supplementary work keeping business books and issuing invoices are obligatory, so farm households in these cases at performing cash operations are also liable for implementation of the procedure for invoice verification.

For individuals, who perform OKGD and owe or use agricultural and forestry land, but the total income of their (farm) households from OKGD don't achieve 200 EUR of the cadastral income, so such household is not considered as farm household. In principle for such persons it is considered that due to low extent of production they don't perform business activities. Such persons in principle also are not taxpayers according to Article 46 of the ZDoh-2 in connection with Article 31 of the ZDavP-2 nor on the basis of the ZDDV-1, so issuing invoices on this basis is not defined. But from the tax legislation point of view in actual cases of selling agricultural products it has to be established, whether individuals sell only seasonal excess of their own products (so they sell them only occasionally and in small amounts, which may be produced within OKGD on land, which they owe or use), and so they are treated as persons who don't perform business activities, which means that from VAT point of view they are not considered as taxpayers and they don't have to issue invoices. If such persons actually perform taxable activities – this is the case when they permanently and regularly produce or sell their products (and these are not necessarily only products, which would be taxed within OKGD) or even (re)sell products of other persons, then they shall register with entry into the appropriate primary register (sole proprietorships or companies are entered into the Business Register of the Republic of Slovenia, holder of the supplementary work on the farm declares when conditions are fulfilled for this in accordance with the Decree on supplementary work on farms at the administrative unit). If the case includes another agricultural activity, which is not classified in OKGD nor among supplementary work on the farm, it is entered in the tax register on the basis of Article 52 Paragraph 4 of the [Financial Administration Act – ZFU](#) because there is no other primary register. In these cases these persons shall keep business books and issue invoices and at cash operations they are treated as persons liable for implementation of the procedure for fiscal verification of invoices.

Self-invoicing

In accordance with Article 81 of the ZDDV-1 every taxpayer shall provide that the invoice is issued for supplies of goods or services. Invoices may be issued by buyers of goods or parties ordering services for supplies of goods or services performed to them (self-invoicing), which have been supplied by taxpayers only if both parties agree about this in advance and if they especially agree about the method for accepting every invoice by the taxpayer, who supplies goods or performs services. Buyers of goods or parties ordering services shall state on the invoice that they issue it on behalf and for the account of the taxpayer, who has supplied goods or performed services to them – statement »self-invoicing«. The PZDDV in Article 136 also states that the taxpayer – supplier and buyer (or party ordering services), who issues invoices on behalf and for the account of the taxpayer - supplier, define conditions and details of the preliminary agreement and the procedure for accepting every invoice. If the contract for the performed supply of goods or services includes all details, then such special agreement is not

necessary. At buying-in returnable containers invoices may be issued on behalf and for the account of the user, identified for VAT, without agreements concluded in advance. In cases that suppliers are holders of permissions for claiming the right to lump-sum compensation (8 %), Article 166 Paragraph 7 of the PZDDV states that the invoice for the performed supply is issued by the buyer of goods or party ordering services.

In cases of issuing invoices by buyers (self-invoicing) the obligation for issuing invoice is at the buyer, who is as issuer of the invoice liable for fiscal verification of invoices issued in such a way at cash operations.

Person liable on the basis of the ZDavPR, who issues the invoice on behalf and for the account of the taxpayer

On the basis of the ZDDV-1 in connection with issuing of the invoice, which is issued by a third person on behalf and for the account of the supplier, Article 84 Paragraph 4 of the ZDDV-1 shall be taken into consideration, which defines that authenticity of the origin, integrity of the content and legibility of the invoice in paper or electronic form shall be provided from the moment of issuing until the end of the period for storing the invoice. Authenticity of the invoice origin means providing the identity of the supplier or issuer of the invoice. Suppliers shall provide if necessary that invoices have been issued by them or that invoices have been issued on their behalf and for their account. This can be provided in such a way that invoices are recorded in accountancy documents. At self-invoicing or when invoices are issued by third persons, this can be proven with evidence. Identities of suppliers are data, which shall always be stated on the invoice. Also recipients of invoices shall provide that suppliers, who are stated on the invoice, have actually supplied goods or performed services, to which the invoice refers; at this point for fulfilment of this obligation they may use any procedures for supervision over activities, which produce a reliable audit trail between the invoice and supply of goods or services performed. Taxpayers may provide the identity of invoice issuer with the advanced electronic signature or electronic data exchange (at invoices in the electronic form), but this doesn't interfere into the fact that invoices shall reflect actual supplies. Provision of invoice issuer's identity may be used for cases, in which invoices have been issued by suppliers and in which invoices have been issued by third persons or in cases of self-invoicing.

If the taxpayer issues the invoice on behalf of another person for another person's account, within the procedure for fiscal verification of invoices in accordance with Article 6 of the ZDavPR this taxpayer shall submit to the Financial Administration of the Republic of Slovenia (hereinafter FURS) also the tax number of the taxpayer, on behalf of and for the account of whom the invoice has been issued, and certain other data about this account.

2.2.1 Invoices for supplies, which are performed by persons, who are not taxpayers on the basis of the ZDDV-1

Invoices for supplies, which are performed by persons, who are not taxpayers on the basis of the ZDDV-1, are not subject to fiscal verification of invoices.

Persons, who are not taxpayers according to the ZDDV-1, are:

- a) state authorities and organisations, local communities' authorities and other public law entities, in connection with activities or transactions, which they perform as authorities, even if they collect fees, contributions and other duties and payments in connection with these activities or transactions. At performing activities or transactions they are considered taxpayers in connection with these activities or transactions if their treatment as non-taxpayers causes significant distortion of competition or if they perform another economic activity. In such cases also on the basis of VAT legislation they shall issue invoices and

- perform fiscal verification if they are paid in cash as it is defined for purposes of implementing the ZDavPR;
- b) employees or other persons, who are connected with employers with employment contracts or other legal connections, which show dependent relations between employers and employees.

2.2.2 Supplies, for which the exception is defined from the obligation for issuing invoices on the basis of the ZDDV-1

Taxpayers are not considered persons liable on the basis of the ZDavPR for supplies, for which in accordance with VAT legislation they don't have to issue invoices. If taxpayers despite the exception from the obligation for issuing invoices on the basis of VAT legislation issue invoices, they are not considered persons liable on the basis of the ZDavPR for such invoices.

- a) On the basis of Article 81 Paragraph 4 of the ZDDV-1 taxpayers don't have to issue invoices for insurance and reinsurance transactions, including connected services of insurance intermediaries and representatives and exempt financial transactions, under condition that they are performed to taxpayers in another Member State and if they are exempt in that state. If the above-mentioned condition is not fulfilled, taxpayers shall issue invoices for these transactions, which are subject to fiscal verification of invoices at cash transactions, so that also the exception according to Article 143 of the PZDDV is taken into consideration at exempt financial transactions.
- b) On the basis of Article 143 Paragraph 1 of the PZDDV the obligation for issuing invoices doesn't refer to supplies of goods and services within the OKGD, under the following conditions:
- that such supplies are performed by taxpayers, who are not identified for VAT purposes (exempt from VAT charging on the basis of Article 94 Paragraph 2 of the ZDDV-1) and it is:
 - from OKGD they have flat-rate taxation according to cadastral income, which means that they don't establish income from OKGD on the basis of actual income and expenditures or actual income and norm expenditures and
 - cadastral income of all members of this farm household for the last calendar year doesn't exceed 7,500 EUR;
 - that the supply is performed directly to the final consumer (e.g. direct home selling, door-to-door sales, direct selling at movable stands, on markets) or for their own use within taxpayer's farm households;
 - these are supplies of goods and services within OKGD (own) of the taxpayer.
- c) Under condition that taxpayers provide data about sales with inventory of initial and final stock, which they perform at least once a month, the obligation for issuing invoices in accordance with Article 143 Paragraph 2 of the PZDDV does not refer to selling of:
- tickets, passes and tokens in transport of passengers (train, bus, cable cars);
 - stamps, stamp duties, vouchers and forms in the postal traffic;
 - payments for participation in games of chance if they are performed in accordance with the act, which arranges games of chance;
 - periodicals;
 - goods from vending machines (for services, performed via vending machines, invoices shall be issued);
 - cards with codes for charging of pre-paid systems of mobile operators from ATMs, GSM network and Internet;
 - tokens from exchange machines;
 - transactions in connection with services at telepoints.

- d) On the basis of Article 143 Paragraph 4 of the PZDDV invoices don't have to be issued for exempt financial services (Article 44 Item 4 of the ZDDV-1), for which documents are issued massively if:
- they are performed on the territory of the Republic of Slovenia or they are performed outside the Union;
 - taxpayers issue other documents (settlements, payment transactions' instruments, statements, notices, etc.) to recipients or parties ordering services for performed exempt financial services from the previous sentence, from which the amount of the service charged is evident and statement that VAT is not charged in accordance with the relevant item of Article 44 of the ZDDV-1.

Taxpayers shall provide data about transactions exempt in appropriate analytical records according to individual types of exempt financial revenues (or claims) from selling of goods or services.

2.2.3 Which invoices, issued on the basis of the ZDDV-1, are subject to fiscal verification

Invoices for supplies, which are subject to taxation according to the ZDDV-1 and which taxpayers shall issue on the basis of the ZDDV-1, are subject to fiscal verification, which means in all cases, when the obligation for issuing invoices is defined on the basis of Article 81 of the ZDDV-1 (except in cases of certain exceptions from the obligation for issuing invoices) and in cases when the ZDDV-1 or Article 80.a of the ZDDV-1 prescribes that Slovene tax (VAT) regulations are valid for issuing of invoices under condition of course that other conditions on the basis of the ZDavPR are fulfilled.

For fiscal verification of invoices in relation to provisions of the ZDavPR it is not possible to require an additional condition that the supply (supply of goods or performing services), to which the invoice refers, is actually performed on the territory of Slovenia.

It is important that the invoice refers to the supply:

- which is subject to taxation on the basis of the ZDDV-1 (supplies, for which the place of supplies of goods or the place of performing services is Slovenia on the basis of the ZDDV-1) and
- that this is an invoice, which is issued according to Slovene regulations on VAT.

This is in accordance with the provision of Article 3 of the ZDavPR, which also defines that the invoice shall be issued, but it doesn't define where the supply shall be (actually) performed in connection with the invoice issued in such a way. The ZDavPR prescribes also the contents of the invoice, which shall be in compliance also with the ZDDV-1. This is based on the invoice definition according to Article 2 Item 3 of the ZDavPR, where the invoice at cash operations is issued for the supply of goods or services, which is partially or completely paid in cash and indirectly from the content of the invoice according to Article 5 Paragraph 1 of the ZDavPR, on the basis of which the invoice shall include also data, which are defined with regulations, which arrange value added tax.

In connection with rules for issuing invoices according to VAT legislation the following is in force:

- the basic rule: rules for issuing invoices are defined by the Member State, in which the supply is performed;
- two exceptions from the basic rule, for which rules apply on issuing invoices, which are valid in the Member State, in which the supplier is established or has permanent establishment, from which the supply is performed, or permanent or usual residence, which means for:

- cross-border supplies, for which the reverse charge procedure is valid from Paragraphs 3-4 and Article 76 Paragraph 1 Item 3 of the ZDDV-1. If in these cases the recipient issues the invoice (self-invoicing), the basic rule applies.
- supplies which are taxed outside the EU.

This means that in cases when the place of taxation is Slovenia as a rule it is valid that Slovene VAT regulations apply in relation to obligations for issuing invoices, except in cases when the supply is performed by the supplier, who is not established in Slovenia, to the recipient, who shall in accordance with Article 76 of the ZDDV-1 pay VAT (reverse charge procedure) and the supplier issues the invoice according to regulations, which are in force in the state, in which this person has the seat or business unit.

On the basis of this it is evident that invoices for supplies, which are subject to taxation in accordance with the ZDDV-1 (the place of supply is Slovenia on the basis of provisions of the ZDDV-1) and which the taxpayer shall issue on the basis of the ZDDV-1, are subject to fiscal verification of invoices.

Tables 1-5 include some examples in relation to the obligation for fiscal verification of invoices (in connection with the state of taxation for supplies on the basis of the ZDDV-1 and the state, the invoice issuing rules of which apply for issuing invoices).

Table 1: The obligation for fiscal verification of invoices in relation to the place of taxation and rules for issuing invoices – **some examples for »domestic« supplies of goods.**

Type of supplies (according to the ZDDV-1)	Member State or supplier's state	Member State or recipient's state	Movement of goods	Member State or taxation state	State, the rules of which apply	Fiscal verification of invoices, paid in cash
I. Domestic supplies of goods	Slovenia	Slovenia	in Slovenia	Slovenia	Slovenia	YES

Table 2: The obligation for fiscal verification of invoices in relation to the place of taxation and rules for issuing invoices – **some cases for »cross-border« supplies of goods.**

Type of supplies (according to the ZDDV-1)	Member State or supplier's state	Member State or recipient's state	Movement of goods	Member State or taxation state	State, the rules of which apply	Fiscal verification of invoices, paid in cash
Intra-Community exempt supply of goods	Slovenia	other Member State	Slovenia to other Member State	Slovenia	Slovenia	YES
Intra-Community exempt supply with self-invoicing	Slovenia	other Member State	Slovenia to other Member State	Slovenia	Slovenia	YES
Cross-border supply to individuals – distance-selling of goods (under the threshold in other Member State)	Slovenia	other Member State	Slovenia to other Member State	Slovenia	Slovenia	YES
Distance-selling of goods (threshold exceeded in other Member State)	Slovenia	other Member State	Slovenia to other Member State	other Member State	other Member State	NO
The second link in the chain of the tripartite supply within the Union	Acquirer (second link in the chain): Slovenia	Member State C	Member State B to Member State C	Member State C	Slovenia	NO
Cross-border supply of gas or electric power (reseller)	Slovenia	other Member State	Slovenia to other Member State	other Member State	Slovenia	NO
Export	Slovenia	third country	Slovenia to a third country	Slovenia	Slovenia	YES
Supply outside the Union (third countries)	Slovenia	third country	in a third country	third country	Slovenia	NO
Recipient liable for VAT payment in accordance with Article 76 Paragraph 3 of the ZDDV-1	other Member State	Slovenia	in Slovenia	Slovenia	other Member State	NO
Import	third country	Slovenia	third country to Slovenia	outside the Union*	outside the Union	NO

*In cases of supplies from the state, which is not an EU Member State, into an EU Member State where this is a case of import of goods, the place of supply of goods is outside the EU. The supplier is outside the Union, so rules for issuing invoices of the Member State (Slovenia) don't apply; there is also no obligation for issuing invoices in connection with the import of goods into the EU. Import of goods is subject to taxation according to the ZDDV-1.

Table 3: The obligation for fiscal verification of invoices in relation to the place of taxation and rules for issuing invoices – **some cases for »domestic« performing of services.**

Type of supplies (according to the ZDDV-1)	Provision of the ZDDV-1 for application of the rule on the place of performing services and the payer of VAT	Member State or supplier's third country	Member State or recipient's state	Member State or taxation state	Member State or the state, the rules of which apply	/ Fiscal verification of invoices, paid in cash
I. General performing of services among taxpayers or taxpayers and persons, who are not taxpayers	Article 25 Paragraphs 1-2 of the ZDDV-1	Slovenia	Slovenia	Slovenia	Slovenia	YES

Table 4: The obligation for fiscal verification of invoices in relation to the place of taxation and rules for issuing invoices – **some cases for cross-border performing of services (general rule for definition of the place for performing services).**

Type of supplies (on the basis of the ZDDV-1)	Provision of the ZDDV-1 for application of the rule on the place for performing services and the payer of VAT	Member State or supplier's third country	Member State or recipient's state	Member State or taxation state	Member State or the state, the rules of which apply	Fiscal verification of invoices, paid in cash
Cross-border performing of services among taxpayers. The person, who shall pay VAT, is a recipient.	Article 25 Paragraph 1 of the ZDDV-1 and Article 76 Paragraph 1 Items 3 of the ZDDV-1	Slovenia	a) other Member State, b) third country	a) other Member State b) third country (outside the Union)	a) Slovenia b) Slovenia	a) NO b) NO
Cross-border performing of services among companies and issuing of the invoice by the recipient (<u>self-invoicing</u>)	Article 25 Paragraph 1 of the ZDDV-1, Article 76 Paragraph 1 Item 3 of the ZDDV-1 and Article 81 Paragraph 3 of the ZDDV-1	other Member State, third country	Slovenia	Slovenia	Slovenia	YES
General performing of services <u>among taxpayers and consumers (the recipient of the service is a person, who is not a taxpayer)</u>	Article 25 Paragraph 2 of the ZDDV-1	Slovenia	other Member State, third country	Slovenia	Slovenia	YES

Table 5: The obligation for fiscal verification of invoices in relation to the place of taxation and rules for issuing invoices – **some examples for cross-border performing of services (special rules for definition of the place for performing services).**

Type of supplies (on the basis of the ZDDV-1)*	Provision of the ZDDV-1 for application of the rule on the place for performing services and the payer of VAT	Member State or supplier's third country	Member State or recipient's state	Member State or taxation state	Member State or the state, the rules of which apply	Fiscal verification of invoices, paid in cash
Services in connection with real estate or property – <u>located in other Member State C, without the reverse charge procedure</u>	Article 27	Slovenia	other Member State B or Slovenia or third country	other Member State C (in the Union)	other Member State C	NO
Services in connection with real estate, <u>located in a third country</u>	Article 27	Slovenia	Slovenia or other Member State or third country	third country	Slovenia	NO
Services in connection with real estate, <u>located in Slovenia</u>	Article 27	Slovenia	Slovenia or other Member State or third country	Slovenia	Slovenia	YES
Some services among taxpayers and consumers	Article 30.d	Slovenia	third** country	third country (outside the Union)	Slovenia	NO

*Also at issuing invoices for other services, for which special rules apply for definition of the place of performing services (from Article 26 to Article 30.e of the ZDDV-1), in connection with fiscal verification of invoices it shall be taken into consideration that invoices for supplies are subject to fiscal verification, which are subject to taxation on the basis of the ZDDV-1 (the place of supply is Slovenia) and which taxpayers shall issue in accordance with the Slovene tax legislation if they are paid in cash.

**If services from Article 30.d of the ZDDV-1 are not performed to a person who is not a taxpayer from a third country, the place of performing such services is defined according to the general rule from Article 25 of the ZDDV-1 and in connection with fiscal verification of invoices it is valid as it is stated in Table 4.

2.2.4 Invoices for supplies, which are performed by the taxpayer, who has no seat/residence in Slovenia

Also those taxpayers are liable for implementation of the procedure for fiscal verification of invoices, who have no seat/residence in Slovenia, but they perform supplies of goods on the territory of Slovenia or they perform services, which are subject to taxation on the basis of the ZDDV-1 and for which they shall issue invoices according to the Slovene VAT legislation (as a rule these are supplies, for which taxpayers shall also identify for VAT purposes in Slovenia in accordance with the ZDDV-1) under condition that the supply is paid in cash, except in cases of supplies, for which the exception is defined on the basis of the liability of the procedure for fiscal verification of invoices according to the ZDavPR.

Taxpayers, who have no seat/residence in Slovenia, are considered persons liable for fiscal verification of invoices on the basis of the ZDavPR for invoices for supplies of goods or performing services, which are subject to taxation on the basis of the ZDDV-1 (these are supplies, due to which foreign taxpayers shall also identify in accordance with the ZDDV-1 for VAT purposes in Slovenia) and for which they shall issue invoices on the basis of the Slovene VAT legislation (in accordance with the ZDDV-1), i.e. for invoices, which are paid in cash (more detailed information in connection with payment in cash is stated in Item 2.3 of this detailed description).

Taxpayers, who have no seat/residence in Slovenia, but they are not considered for persons liable for fiscal verification of invoices for invoices for supplies, for which the exception is defined from the obligation for fiscal verification of invoices on the basis of the ZDavPR. More detailed information about exceptions from the obligation for fiscal verification of invoices is stated later in this document in Item 3.0 of this detailed description.

From the obligation for the procedure for fiscal verification of invoices on the basis of the ZDavPR those taxpayers are also automatically excluded, who have no seat/residence in Slovenia if they perform services, for which the rule applies on the place of performing services from Article 44 of Council Directive 2006/112/EC (from Article 25 Paragraph 1 of the ZDDV-1). If taxpayers, who have no seat in Slovenia, perform services to Slovene taxpayers, for whom the place of performing services is Slovenia in accordance with Article 25 Paragraph 1 of the ZDDV-1, the payer of VAT is in accordance with Article 76 Paragraph 1 Item 3 of the ZDDV-1 exclusively the recipient of services (reverse charge procedure). In such cases for issuing invoices the rules apply for issuing invoices of supplier's Member State (Article 219.a Paragraph 2 of Council directive 2006/112/EC). Such taxpayers, who have no seat in Slovenia (providers of services), also don't have to identify for VAT purposes in Slovenia because the recipients of services are defined as persons, who shall pay VAT from such services. These are cases of persons liable, who in accordance with the definition of the person liable on the basis of the ZDavPR don't fulfil all prescribed conditions for liability for fiscal verification of invoices (for them the obligation is not defined for issuing invoices on the basis of the Slovene VAT legislation and the obligation is not defined for keeping business books and records in Slovenia).

2.3 Condition 3: supplied goods or services are paid in cash

The third condition for liability for the procedure for fiscal verification of invoices is that the supply of goods and services is performed for payment in cash, as it is defined by Article 2 Item 4 of the ZDavPR.

For purposes of implementation of the ZDavPR the payment in cash is:

- payment with banknotes and coins, which are in circulation as means of payment,
- other payment methods, which are not direct orders to transaction accounts, open at providers of payment services,
- payment with payment or credit cards, cheques and other similar payment methods.

3.0 EXCEPTIONS FROM THE OBLIGATION FOR FISCAL VERIFICATION OF INVOICES ON THE BASIS OF THE ZDavPR

The ZDavPR states some more explicit exceptions from the obligation for performing the procedure for fiscal verification of invoices. All business activities of persons liable, who would fulfil basic three conditions for liability, but they don't have to perform fiscal verification of invoices, are listed.

Taxpayers in the following cases are not considered persons liable for performing the procedure for fiscal verification of invoices:

1. Supplies of goods, which are performed by taxpayers, not established in Slovenia and for which the place of supplies according to regulations, which arrange value added tax, is considered to be Slovenia if the total value of these supplies in the current calendar year or in the previous calendar year exceeds 35,000 EUR, or if suppliers decide that notwithstanding the fact that the value of their supplies in the current calendar year doesn't exceed this amount, the place of these supplies is Slovenia (**Article 3 Paragraph 2 Item 1 of the ZDavPR**).

These are cases of supplies of goods at selling goods from other Member States (distance-selling of goods on the basis of VAT legislation) via the Internet, telephone or telefax, which are performed by taxpayers, not established in Slovenia, to final consumers in Slovenia (individuals, flat-rate farmers, taxpayers, who are not identified for VAT purposes or they perform only supplies of goods or services, at which on the basis of the ZDDV-1 there is no right granted to deduction of VAT) and suppliers also send goods to buyers.

In accordance with Article 20 Paragraph 7 of the ZDDV-1 the place of taxation is Slovenia if the value of supplies, which are performed by suppliers, not established in Slovenia (foreign suppliers) in the current or previous year, exceeds 35,000 EUR, where they shall identify for VAT purposes in Slovenia. If the above-mentioned threshold is not exceeded, foreign suppliers may decide for voluntary identification for VAT purposes in Slovenia.

The above-mentioned is valid also in cases of taxpayers with no seat/residence in Slovenia – exhibitors at trade fairs and shows, who sell goods to final consumers (they don't have to identify for VAT purposes in Slovenia and the obligation for issuing invoices is not valid for them in accordance with the ZDDV-1, until the total value of such supplies in the current and previous year doesn't exceed 35,000 EUR).

The exception is not possible for the selling, which is performed by such taxpayers at trade fairs because in such cases they shall identify for VAT purposes before the supply

performed and they shall also issue invoices for the supply performed according to Slovene VAT rules for issuing invoices.

2. Supply of telecommunication services, broadcasting services or electronic services, which are performed by taxpayers, not established in Slovenia, to persons, who are not taxpayers, according to regulations, which arrange value added tax (**Article 3 Paragraph 2 Item 2 of the ZDavPR**).

These are services, for which the special »one-stop shop« arrangement may apply on the basis of VAT legislation, which is intended for taxpayers, who are not established and they perform telecommunication services, broadcasting services or electronic services to persons, who are not taxpayers. Arrangements are optional and they are defined in Articles 122.a to 130.h of the ZDDV-1, i.e. the following is especially envisaged:

- special arrangement for taxpayers, who are not established within the Union and
- special arrangement for taxpayers, who have the seat within the Union, but not in the Member State of consumption.

If taxpayers decide that they will apply the special »one-stop shop« arrangement, they fulfil all obligations via the web portal in the Member State of establishment, in which they are identified for VAT purposes. For services performed taxpayers shall charge VAT, which is valid in the Member State of consumption. If taxpayers don't decide for the special arrangement, they shall identify for VT purposes in the Member State of consumption.

This means that the exception from the obligation for fiscal verification of invoices is valid for taxpayers, who have seats in other Member State and in this Member State they don't decide for application of the special arrangement for telecommunication services, broadcasting services or electronic services, so in Slovenia they shall identify for VAT purposes in connection with performing the above-mentioned services to final consumers in Slovenia.

The exception from the obligation for fiscal verification of invoices is valid also for taxpayers, who have their seat in a third country, and they choose Slovenia as the Member State of identification under the special arrangement, which is valid for taxpayers, who have no seat within the Union or they shall identify for VAT purposes in Slovenia because they haven't decided for application of the special arrangement.

Also those taxpayers are excluded from the definition of taxpayers on the basis of the ZDavPR, who have their seat in other Member State and in this state they have decided for application of the special arrangement for telecommunication services, broadcasting services or electronic services, which they perform to persons, who are not taxpayers in Slovenia (the exception from the obligation for fiscal verification of invoices is also valid for them).

More detail in relation to definition of services, for which the special »one-stop shop« arrangement may apply, is explained in [Item 2.0 of the detailed description for this special arrangement](#).

3. Continued supplies of goods and services to ordering parties, in business activities of supply with electric power, gas and steam, water supply, sewage and waste management, and in telecommunication business activities, performed on the basis of concluded contracts about the supply between the supplier and ordering party, where the supplier massively issues invoices, with the application of the system for automatic data processing, separated from cash registers, periodically in time intervals agreed in advance, for payment

via the general payment order, and invoices are delivered to ordering parties via providers of postal services, via electronic means or any other comparable method, payment of invoices is performed subsequently, after issuing such invoices and it is not directly connected with individual supplies of goods or services (**Article 3 Paragraph 2 Item 3 of the ZDavPR**).

The exception from the obligation for fiscal verification of invoices is limited only to fields of providing basic material assets and services for supplies for citizens and the economy with drinking water, municipal utility services, and provision of power and telecommunication flows.

The following invoices are excluded from the obligation for fiscal verification of invoices:

- invoices for supplies from business activities from E 36 group water supply, E 37 sewage management and E 38 waste collection, removal and management of the [Standard Classification of Activities – SKD 2008](#) (ordinance of the local community is considered for the concluded contract between the supplier and ordering party);
- invoices for supplies from business activities from D 35 group supply with electric power, gas and steam (sub-groups of activities 35.1 Electric power supply, 35.2 Supply with gas fuels and 35.3 Supply with steam and hot water) of the [Standard Classification of Activities – SKD 2008](#);
- invoices for supplies from activities from J 61 group Telecommunication activities (sub-groups of activities 61.1 Telecommunication activities according to lines, 61.2 Wireless telecommunication activities 61.3 Satellite telecommunication activities and 61.9 Other telecommunication activities) of the [Standard Classification of Activities – SKD 2008](#).

The exception does not refer to other purchases or payments for purchases. This means that individual purchases, which otherwise are not included in massively issued invoices, shall not be included in the invoice, so that conditions would be fulfilled for the exception from fiscal verification of invoices.