**FIRE FEE**

**Detailed description**

**2st issue, JUNE 2023**

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**1.0 SUBJECT TO FIRE FEE**

In accordance with the [Decree on Fire Fee](http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED3990) the fire fee is paid from the insurance premium, which the insurance policy holder pays to the insurance company based on the insurance contract for insurance against fire risk (fire premium).

2.0 PERSONS LIABLE TO FIRE FEE PAYMENT

Persons liable to fire fee payment are all insurance companies and representatives and agents of foreign insurance companies, who perform insurance business on the territory of the Republic of Slovenia.

3.0 FEE BASE

The base for the fire fee return is the paid insurance premium, which is represented by:

* the whole insurance premium at 100% for:
* fire insurance and insurance of some other risks outside the industry and craft, in industry and craft, fire insurance of property in electricity sector, all other fire insurance types (point 8 of paragraph two of Article 7 of the [Insurance Act – ZZavar-1](http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6183) – fire and natural disaster insurance) and
* insurance of production failure due to fire (point 16 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 – insurance of various financial losses),
* the share of 20 % of the whole insurance premium at other insurance types, where also the fire risk is covered with the insurance premium, as follows:
* hull insurance and other types of insurance of road motor self-driven vehicles with the exception of vehicles on rails (point 3 of paragraph two of Article 7 of the Insurance Act – ZZavar-1 – insurance of land vehicles with the exception of vehicles on rails),
* hull insurance and other types of insurance of vehicles on rails, airplanes and other aircrafts, ships and boats in the maritime navigation and ships and boats in inland and lake navigation (points 4, 5 and 6 of paragraph two of Article 7 of the Insurance Act – ZZavar-1 – insurance of vehicles on rails, aviation insurance and ships insurance),
* insurance of goods in the international transport and in the domestic transport (point 7 of paragraph 2 of Article 7 of the Insurance Act – ZZavar-1 - insurance of transport of goods),
* seismological risk insurance (point 8 of paragraph two of Article 7 of the Insurance Act ZZavar-1 – fire and natural disaster insurance),
* contractor's insurance, insurance of prefabricated construction and residential insurance (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 other damage insurance),
* nuclear risk insurance (point 8 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 – fire and natural disaster insurance)
* insurance of film production (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar–1 – other damage insurance),
* insurance of computers, goods in refrigerated storage, mines, crops and fruits, animals and risk insurance in post office operations (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar–1 – other damage insurance).

4.0 FEE RATE

The fire fee is 5 percent of the base for fire fee return. In accordance with the Decree amending the Decree on Fire Fee (Official Gazette of the Republic of Slovenia, no. 68/22), which came into force on 1 October 2022, for insurances concluded from this date onwards, or in the case of multi-year insurances from the first following accounting period onwards (in the next insurance year), the rate is 9 percent of the base for calculating the fire fee.

5.0 INCURENCE OF FEE LIABILITY

The fire fee shall be paid for the month, for which the insurance premium or its part has been paid. It is paid by 15th day in the month for the previous month on the suspension taxation subaccount, open at the Public Payments Administration of the Republic of Slovenia.

6.0 FIRE FEE RETURN

The fire fee return is submitted every month, by 15th day in the month for the previous month, to the competent financial office, via [e-Davki portal](https://edavki.durs.si/EdavkiPortal/OpenPortal/CommonPages/Opdynp/PageD.aspx?category=pozarna_taksa_pt_podjetja). The insurance company submits a fire fee return regardless of the fact if it is liable to pay this fee for the period, for which it submits the return, or not. The insurance company prepares the fire fee return according to individual insurance types and the level of paid insurance premiums.

For additional information on the calculation and payment of fire fee please contact the Special Financial Office via the e-mail address: pfu.fu@gov.si.

7.0 FIRE FEE REFUND

If the insurance company partially or fully reimburses the policyholder for the insurance premium due to premature termination of the contractual relationship or reduction of the insurance premium, the basis for calculating the fire fee is reduced by this amount in the current accounting month.

8.0 EXERCISE OF SUPERVISON

Supervision over the calculation, payment and recovery of the fire fee is carried out by the Financial Administration of the Republic of Slovenia in accordance with tax regulations.

9.0 QUESTIONS AND ANSWERS

**Question 1:** Who are liable to pay the fire fee?

The [Decree](http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED3990) on Fire Fee provides that all insurance companies are liable to pay the fire fee, as well as all representatives or agents of foreign insurance companies engaged in insurance business on the territory of the Republic of Slovenia.

**Question 2:** How is the fire fee calculated and when?

Persons liable for payment of fire fee shall pay fire fee by filing the fire fee return via [e-Davki portal](https://edavki.durs.si/EdavkiPortal/OpenPortal/CommonPages/Opdynp/PageC.aspx?category=drugi_davki_in_druge_dajatve_po) every month, by 15th day in the month for the previous month. The insurance company submits a fire fee return regardless of the fact if it is liable to pay this fee for the period, for which the return is filed, or not. The insurance company prepares the fire fee return according to individual insurance types and the level of paid insurance premiums.

For additional information on the calculation and payment of fire fee please contact the Special Financial Office via the e-mail address: pfu.fu@gov.si.

**Question 3: Is there a fine for failure to submit the fire fee return?**

In accordance with the Fire Fee Decree an insurance company shall be fined from EUR 5,000 to EUR 15,000 for the offence if it:

- charges the fire fee contrary to the provisions of Decree on Fire Fee,

- fails to pay the fire fee for the preceding month by 15th day of the month at the latest and

- fails to submit the fire fee return for the preceding month to the competent financial office via [the e-Davki portal](https://edavki.durs.si/EdavkiPortal/OpenPortal/CommonPages/Opdynp/PageC.aspx?category=drugi_davki_in_druge_dajatve_po).

A fine of EUR 500 to EUR 1,000 shall also be imposed for the offence on the responsible person of the insurance company who commits the act referred to in the preceding paragraph.

**Question 4: Why is it good to file a return even after the deadline?**

If a person liable for fire fee submits a fire fee return based on voluntary disclosure, such person will not be fined for the offence, but will be charged interest for the time from the expiry of deadline for payment to the submission of the fire fee return based on voluntary disclosure. The interest rate for interest calculation is 3% per year.

of the person liable for the fire fee cannot file a new voluntary disclosure regarding obligations for which such person has previously already filed a voluntary disclosure.

The person liable for fire fee can submit a fire fee return, or a corrected fire fee return no later than the start of the tax inspection or the service of the assessment decision or the initiation of the offence or criminal proceedings. The submission of fire fee return, or correction of fire fee return based on voluntary disclosure is no longer possible when one of the circumstances referred to in the preceding sentence occurs for the first time.

You can read more about voluntary disclosure on the following link:

[Voluntary disclosure | FINANCIAL ADMINISTRATION OF THE REPUBLIC OF SLOVENIA (gov.si)](https://www.fu.gov.si/en/business_events_businesses/self_declaration/)

**Question 5: What is the basis for paying the fire fee?**

The fire fee is paid from the insurance premium paid by the policyholder to the insurance company based on the fire insurance contract (fire insurance premium).

The insurance premium is represented by:

* the whole insurance premium at 100% for:
* fire insurance and insurance of some other risks outside the industry and craft, in industry and craft, fire insurance of property in electricity sector, all other fire insurance types (point 8 of paragraph two of Article 7 of the [Insurance Act – ZZavar-1](http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6183) – fire and natural disaster insurance) and
* insurance of production failure due to fire (point 16 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 – insurance of various financial losses),
* 20 % ofthe share of the whole insurance premium at other insurance types, where also the fire risk is covered with the insurance premium, as follows:
* hull insurance and other types of insurance of road motor self-driven vehicles with the exception of vehicles on rails (point 3 of paragraph two of Article 7 of the Insurance Act – ZZavar-1 – insurance of land vehicles with the exception of vehicles on rails),
* hull insurance and other types of insurance of vehicles on rails, airplanes and other aircrafts, ships and boats in the maritime navigation and ships and boats in inland and lake navigation (points 4, 5 and 6 of paragraph two of Article 7 of the Insurance Act – ZZavar-1 – insurance of vehicles on rails, aviation insurance and ships insurance),
* insurance of goods in the international transport and in the domestic transport (point 7 of paragraph 2 of Article 7 of the Insurance Act – ZZavar-1 - insurance of transport of goods),
* seismological risk insurance (point 8 of paragraph two of Article 7 of the Insurance Act ZZavar-1 – fire and natural disaster insurance),
* contractor's insurance, insurance of prefabricated construction and residential insurance (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 other damage insurance),
* nuclear risk insurance (point 8 of paragraph two of Article 7 of the Insurance Act - ZZavar-1 – fire and natural disaster insurance)
* insurance of film production (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar–1 – other damage insurance),
* insurance of computers, goods in refrigerated storage, mines, crops and fruits, animals and risk insurance in post office operations (point 9 of paragraph two of Article 7 of the Insurance Act - ZZavar–1 – other damage insurance).

**Question 6: At which financial office should the fire fee return be submitted?**

The fire fee return is filed every month, at the latest on 15th day of the month for the preceding month, via [the e-Davki portal](https://edavki.durs.si/EdavkiPortal/OpenPortal/CommonPages/Opdynp/PageC.aspx?category=drugi_davki_in_druge_dajatve_po).

For additional information on the calculation and payment of fire fee please contact the Special Financial Office via the e-mail address: pfu.fu@gov.si.

**Question 7: Is there a possibility of** **the refund of fire fee?**

If the insurance company partially or fully reimburses the policyholder for the insurance premium due to premature termination of the contractual relationship or reduction of the insurance premium, the basis for calculating the fire fee is reduced by this amount in the current accounting month. No special decision is issued on the refund, but the refund is considered through the reduction of the basis in the current month (the return itself represents the enforcement instrument for the refund).

The correction of the return, which refers to the previously submitted return, which is not correct in a certain part, so the payer of fire fee is now correcting it, should be considered separately. The method of carrying out the correction of the return is regulated in the provisions of Articles 53 and 54 of the [Tax Procedure Act - ZDavP-2](http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO4703). In the event of a correction of the fire fee return, which is not regulated by the Decree on Fire Fee, the general provisions of Tax Procedure Act (ZDavP-2) apply. The refund procedure based on the corrected calculation of the fire fee is regulated in Articles 53 and 54 of ZDavP-2. The shown difference in tax liability between the submitted and corrected return constitutes an enforceable instrument for refund when it arises due to the correction of the return.

**Question 8: How is the person liable for fire fee payment determined when the insurance contract is concluded with several insurance companies?**

In the case of individual co-insurance, all insurance companies with which the insurance contract is concluded are liable for the fire fee, and the basis for calculating the fee at an individual insurance company is the corresponding part of the premium.

**Question 9: What is the meaning of the phrase in the Decree on Fire Fee “*insurance of some other risks outside industry and craft, within industry and craft*”. Which are “*other risks*”? What does it mean “*outside industry and craft*”*,* and what“*within industry and craft*”?**

Article 4 Indent 1 of the [Decree](http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED3990) on Fire Fee defines that the base for return of fire fee is the paid insurance premium, which is represented by the whole insurance premium at fire insurance and insurance of some other risks outside industry and craft, within industry and craft, fire insurance of property in the electricity sector, all other types of fire insurance and fire insurance in connection with damage due to the operating standstill.

The phrase *“other risks”* mean »natural disasters« and »other natural events, except for storms«, which are offered by insurance companies in the fire insurance package (e.g.: fire, lightning, explosion, tempest, hail, weight of snow, fall of aircraft, manifestation, demonstration, hitting of the vehicle of the policyholder into this person's own building).

The phrase *“outside industry and craft”* means that the policyholder concludes insurance for other, especially civil risks.

In the case of the phrase *“within industry and craft”* the policyholder concludes insurance for industrial and craft risks.

**Question 10: Is it true that fire fee is settled and paid in the month of payment the premium and from the received payment (according to the principle of receiving payments)?**

The obligation for return and payment of fire fee relates to the payment of the insurance premium and not with the issuing of the invoice. The base for fire fee return is the paid insurance premium as it is defined based on the concluded insurance contract, and it is not important in which amount (e.g., payment lower than agreed) the premium will be actually paid.

Fire fee shall be paid by 15th day in the month for the previous month to the taxation suspense sub-account, open at the Public Payments Administration of the Republic of Slovenia, i.e.:

**Banka Slovenije, SWIFT: BSLJSI2X, PDP account IBAN: SI 56011008881000030 and reference number: SI 19 (tax number of the taxable person) – 60003.**

**Question 11: It is possible in relation to the fact that the expected monthly amounts of fire fee will be very low that these fees are paid once at the end of the year or at the beginning of the next year for the previous year?**

The Decree on Fire Fee doesn’t envisage different time limits for fulfilment of payment obligations of the fee, so it shall be paid within legally prescribed time limits. If your payments of the fire fee are late and not conducted within time limits prescribed for them, you would have to deal with consequences for late payment, i.e., interest for late payment and fine.

**Question 12: Since when is the amendment to the Regulation on the fire fee effective from 1 October 2022, which increased the fire fee percentage from five to nine percent?**

In the Official Gazette of the RS no. 68 of 13/05/2022, the Decree on the amendment of the Decree on Fire Fee was published, which increases the rate of fire fee from 5 percent to 9 percent. In its Article 2 it is stipulated that it comes into force on 1 October 2022.

The rate change is carried out in the following way:

* 9 percent fire fee applies and is paid from all insurance premiums that will be paid by policyholders to insurance companies based on (new) insurance contracts for the insurance of fire hazards, which will be concluded from 1 October 2022 onwards,
* for (existing) insurance contracts concluded before 1 October 2022, the 9 percent fire fee applies and is paid only from the paid premium that refers to accounting periods (insurance years) after 1 October 2022. For paid premiums relating to accounting periods before 1 October 2022, a 5 percent fire fee applies and is payable. This means that for existing insurances, the 9 percent fire fee will come into effect with the new insurance year.