**Financial Transaction Tax (Transaction Tax)**

Act No. 279/2024 Coll. on the Financial Transaction Tax and on the Amendments and Additions to Certain Acts (hereinafter referred to as the “Act”) introduces a new financial transaction tax (hereinafter referred to as the “tax”) and imposes an obligation on Slovak banks to collect this tax on behalf of their clients (natural persons - entrepreneurs and legal entities) for debit transactions, including cash withdrawals and card-related taxes. At the same time, clients subject to this tax are required to have a transactional account.

**Basic Information about the Tax**

**Who is subject to this obligation and who is considered a taxpayer under this Act?**

The obligation to pay the new tax applies to bank clients who are natural persons – entrepreneurs (sole traders, freelancers, self-employed farmers) and legal entities such as limited liability companies, joint-stock companies, or branches of foreign entities, with their registered office or place of business in Slovakia. The tax also applies to non-residents.

**Which transactions are subject to the tax?**

All debit transactions from the taxpayer’s account are subject to taxation, including cash withdrawals. Card payments are not taxed per transaction, but a fixed tax of EUR 2 per year applies for each card used.

**How are batch-booking transactions taxed (i.e., multiple payments grouped into a single debit from the account)?**

Each individual transferred transaction is taxed, regardless of the fact that they have been debited in one single amount from the client’s account.

**Is the tax applied to bank fees, such as account maintenance fees?**

Yes, these fees are also subject to the tax.

**What is the tax rate?**

The tax rate depends on the transaction type:

* Cashless debit transaction (e.g., bank transfer): 0.4% of the transaction amount, up to a maximum of EUR 40 per transaction.
* Cash withdrawal: 0.8% of the withdrawal amount, with no maximum limit. This applies to ATM withdrawals using a payment card.
* Card usage: A flat tax of EUR 2 per year for each card used at least once during the year.

**When does the new tax take effect?**

The first taxa period is April 2025, as stated in the Act.

**Tax Calculation and Payment**

**Who calculates and remits the tax?**

If the taxpayer has an account with a Slovak bank, the bank is responsible for calculating and remitting the tax.

If the taxpayer has an account with a foreign bank, the taxpayer themselves (company, NGO, sole trader) is responsible for the tax calculation and payment.

**When will the bank first apply the tax?**

KB SK will first apply the tax in July 2025, covering the period from April to June 2025. For subsequent months, the tax will be applied monthly, by the 10th working day of the following month.

The card tax will be applied annually.

**Where can clients find out the tax amount?**

The amount of tax deducted will be listed in the business (transaction) account statement after the end of each calendar month or via direct banking channels (e.g., Profibanka, KBSKyline).

The client can also request a detailed monthly tax report listing all taxed transactions (available in XLSX and PDF formats).

**How is the tax rounded, and what is the minimum amount?**

The tax is rounded to the nearest euro cent:

Below €0.005 → rounded down

From €0.005 and above → rounded up

The minimum tax is EUR 0.01, meaning that even a €0.01 transaction will incur a €0.01 tax.

**Transaction Tax and Other Banking Products**

**Are card payments considered cashless transactions taxed at 0.4%?**

No, card usage is only subject to the EUR 2 annual fee, regardless of the number of card transactions, except for cash withdrawals, which are taxed separately at 0.8%.

**Are cash pooling transactions subject to the transaction tax?**

Automated balance compensations between accounts of taxpayers who are part of a consolidated group (with consolidated financial statements) within KB SK are exempt.

However, balance transfers between different banks are subject to the tax.

**Is a transfer from a current account to a term deposit account subject to the tax?**

No, if both accounts are held by the same client within KB SK, this transaction is not subject to the tax.

**Tax Exemptions**

**Which transactions are exempt from the tax?**

Exemptions are outlined in Section 4(2) of the Act. The bank will automatically apply exemptions under points a), b), k), p), t), u), and aa).

Note: For other exemptions, the client must notify the bank in writing and designate a special account for exempt transactions. Contact the bank for details.

**Which entities are exempt from the tax?**

A list of exempt entities is in Section 3(2) of the Act.

Note: Entities listed in points 1, 4, and 5 of this section must formally notify the bank that they are not taxpayers under this Act. Contact the bank for the appropriate procedure.

**Additional Information**

**Are there special tax obligations when closing an account between April 1 and May 31, 2025?**

Yes. If a taxpayer closes a transaction account during this period, they must pay the tax for all periods during which the account was active.

They must do so by the end of the month following the month in which the account was closed and also submit a notification to the tax authority.

**Can salary payments to employees be excluded from the tax?**

No. The current version of the Act does not exempt salary payments, so each such debit is taxed.

**What if a business is registered in another country (e.g., Czech Republic) but operates in Slovakia?**

The transaction tax still applies.

**What if the taxpayer disputes the tax charged by the bank? Can they file a complaint?**

Yes. The taxpayer can request an explanation from the bank within 12 months of the tax deduction.

The bank must respond in writing within 60 days and correct any errors within the same period.

If the bank fails to respond or correct the issue, the taxpayer can file a complaint to the tax authority within 60 days after the deadline for the bank’s response.