



## SHORT GUIDEBOOK

on the VAT classification of items sold in the Slovak Republic  
for the Sellers to be registered on Allegro

The purpose of this GUIDEBOOK is to present general information regarding classification of items offered on Allegro from the perspective of VAT treatment in the Slovak Republic. The GUIDEBOOK contains some general guidelines and practical tips for the Sellers, which may be helpful during analysis of particular cases. Nevertheless, this GUIDEBOOK should not be treated as any sort of individual tax advice regarding assessment of the tax position in individual Sellers' cases. Whenever required, the Seller should perform a relevant analysis to assess VAT treatment of particular goods and/or services supplied.

This guidebook is relevant mostly for those Sellers, whose sales is:

- subject to the VAT eCommerce Package and from whom Allegro is obliged to collect VAT from the B2C sales and
- for those, who are interested in conducting local B2B sales from and to the Slovak Republic.

All Sellers are entitled to voluntarily declare:

- an entitlement or a possibility to apply decreased VAT rates on their sales in respect to the particular offer,
- a classification of their offer as goods or services,
- a basis for excluding offer from the scope of the VAT eCommerce Package.

Note that you most probably sell goods subject to the standard Slovak VAT rate (20%). In such a case, you do not need to take any steps in this respect.

If you do not provide any information in the relevant section, for the purposes of the VAT eCommerce Package we will assume you sell goods subject to the standard 20% VAT rate.

Note that you can check guidelines on classification of goods for VAT purposes in all the EU countries in the respective database available under:

**[https://ec.europa.eu/taxation\\_customs/tedb/vatSearchForm.html](https://ec.europa.eu/taxation_customs/tedb/vatSearchForm.html)**

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## 1. Introduction

If you are a Seller in the middle of the registration process on Allegro, you probably already know that you can offer different Items for listing. They may cover goods, services and rights, which are listed on Allegro (remember there are Items, which are forbidden or restricted from being sold on Allegro, as determined in the Allegro Terms & Conditions). Determining Item specifics and their classification is required for proper listing. However, you should also be aware that the classification of Items is also crucial to determine a correct VAT treatment of offered/supplied Items in the Slovak Republic (and, in certain cases within the EU).

This GUIDEBOOK provides general guidelines regarding classification of Items for VAT purposes and determination of general rules of VAT treatment in the Slovak Republic, which is important from the perspective of VAT obligations in the Slovak Republic for both the Sellers and Allegro.

**NOTE:** This GUIDEBOOK will not help you determine the Item classification for purposes other than related of VAT treatment in the Slovak Republic (e.g. it cannot be used to determine which Items are forbidden or restricted from listing on Allegro – for this purpose, read the Allegro Terms & Conditions).

### VAT treatment in the Slovak Republic

As a rule, entrepreneurs who supply goods and/or render services in the territory of the Slovak Republic within the scope of their business activity are generally obliged to register for VAT purposes in the Slovak Republic after exceeding the threshold for VAT registration, charge VAT on the supply (i.e. add VAT to each transaction performed, especially when goods or services are supplied to private individuals), use a proper VAT rate, and collect the tax for onward payment to tax authorities through VAT filling. Only in selected cases, VAT registration is not required. There are also certain types of operations which are not covered by VAT treatment in the Slovak Republic. Moreover, there are special EU-wide procedures for limiting the VAT registrations obligations (e.g. VAT OSS or VAT IOSS – depending on the Sellers status and the transaction scheme). There are also certain types of operations which are not covered by VAT treatment in the Slovak Republic.

Those general rules are applicable **also in the case of sale transactions performed by Sellers within their business activities, via Allegro.**

Depending on specifics of the transactions performed via Allegro, **either the Supplier or Allegro is obliged to collect VAT for those transactions and declare it to the Slovak VAT authorities in relevant Slovak VAT reporting.** Proper information regarding Items offered by the Sellers and nature of those transactions, including Items value, country of origin, as well as VAT classification described below, will help to determine who and how should settle and collect VAT in the Slovak Republic for particular supplies.

### When Allegro is obliged to collect and declare VAT in the Slovak Republic (instead of the Seller)?

Such situations refer generally to distance sales transactions where the Sellers supply goods in business to consumer relations (B2C) and where the transaction is concluded via Allegro.

Under the VAT regulations which came into force in the European Union (including the Slovak Republic) on July 1, 2021, in case of **distance sales of goods to individuals (B2C relation) facilitated by electronic platform such as Allegro**, VAT may be due in the Slovak Republic or other EU countries for such supplies. If Allegro facilitates such sales transactions between the Sellers and consumers located in the Slovak Republic or within the EU, it will be obliged to collect and pay VAT to the tax authorities.

Those rules (Allegro's obligation to collect VAT due on distance sales of goods to customers in B2C relation) refer only to situations where Allegro facilitates the supply:

- of **goods** which were already released into free circulation in the EU, and goods which are located in the EU which are supplied to customers in the EU, irrespective of their value, when the Seller is not established in the EU (this case refers to situation where the Seller has no seat or fixed establishment within the EU, even if such Seller has registered for VAT in any EU country).

In those cases, Allegro will be obliged to apply relevant VAT rate for the goods supplied by the Seller via the platform (depending on where the customer is located or receives the supplied goods; e.g. if the customer receives the goods in Germany, the VAT rate will be applied according to VAT rules applicable in Germany), collect VAT, and pay that to the tax authorities (instead of the Seller). If the Seller provides supplies to customers in the Slovak Republic, Allegro will apply Slovak VAT rates (please see points 1.2, 2 and 3 to check which VAT rates are applicable in the Slovak Republic).

### **When the Suppliers will be obliged to collect and declare VAT in the Slovak Republic?**

The Sellers need to calculate, collect, and declare VAT to Slovak tax authorities in case of supply of Items classified as goods or services other than mentioned above if the supply is performed within the scope of the Seller's business activity (if the Seller is the VAT taxpayer), and the transaction is subject to VAT in the Slovak Republic.

This may refer to both B2C (business to customer) and B2B (business to business) relations if the goods are supplied or services are provided in the Slovak Republic.

#### Threshold for VAT registration of taxable person established in Slovakia

For B2C goods and services supplied locally in Slovakia by Slovak taxable person who is established in Slovakia (goods are not transported outside of Slovakia), the threshold for VAT registration is EUR 49,790.

#### Threshold for VAT registration of taxable person not established in Slovakia

Foreign taxable person who is not established in Slovakia and supplies B2C goods within Slovakia is obliged to register for VAT in the Slovak republic before commencing the first transaction, if he is not registered for VAT OSS scheme in another EU Member State.

B2B supplies of goods must be assessed individually.

#### Threshold for special OSS scheme VAT registration for EU B2C delivery of goods and services by established taxable person in Slovakia

Threshold for VAT registration for VAT OSS scheme for B2C supplies of goods from Slovakia to other EU Member States by Slovak taxable person to non-taxable person is EUR 10 000 in total excluding VAT in the current year if threshold of EUR 10,000 was not exceeded in the previous year.

### **Why classification of Items is important for VAT purposes?**

Regardless of who – the Seller or Allegro – is obliged to declare the VAT to Slovak tax authorities, for correct VAT treatment of supplied Items it is crucial to determine:

- the subject of the sale (whether these are goods or services, or other Items which are outside the scope of VAT),
- whether the VAT is due on the supply in the Slovak Republic or in another country,
- what VAT rate is applicable for that sale in the Slovak Republic, and
- how and in what amount the VAT should be settled to the Slovak tax authorities.

In this regard, as of July 1, 2021, a review of the nature of given transaction and matching appropriate VAT rates may have relevant consequences both for Allegro and for the Seller themselves. Additional aspects and specifics of transaction need to be analysed to determine correct VAT treatment in the Slovak Republic (for that reason Allegro will ask an additional question to the Sellers while listing Items on the platform). This GUIDEBOOK provides practical guidelines in this case.

**NOTE:** VAT treatment in the Slovak Republic depends on what you sell. You need to consider:

- whether you are supplying goods or services,
- what categories of goods or services you provide,
- whether there are any specific Items listed which may have specific VAT treatment (e.g., exemptions).

### 1.1. What am I selling - goods or services?

Generally, under the Slovak VAT regulations (reflecting VAT rules applicable within the European Union), transactions performed in the Slovak Republic may be classified as sales of goods or services. There are also Items which could fall outside the scope of VAT or which have a specific VAT treatment. For the needs of listing Items on Allegro, it is crucial to determine if they fall in one of the 3 major groups:

#### ➤ GOODS

Supply of goods - “**goods**” are defined as tangible property which is movable property, immovable property including land, electricity, water, cold, heat, banknotes and coins if they are supplied (sold) for collecting purposes at a price other than their nominal value. Examples: books, clothes, toys, household equipment, gas.

**Important:** Vouchers, tickets, or discount coupons are generally not considered to be goods and their sale requires special attention.

**Exception:** Coins and banknotes that are not used as legal tender or that have a numismatic value are not considered as “money” and fall under the definition of goods.

For more information about delivery of goods, see [point 2](#).

#### ➤ SERVICES

Supply of services is defined as any supply which is not treated as a supply of goods.

Examples: software licenses, selling accesses (subscriptions) to music and entertainment platforms, selling licenses, gaming accounts, transportation, catering and restaurant services, advisory, accountancy services, etc.

For more information about provision of services, see [point 3](#).

#### ➤ EXCLUSIONS / SPECIFIC TREATMENT

##### a. VAT exclusions

Items, which are not subject to VAT as goods or services.

Examples: money equivalents, such as prepaid cards or cards for safe internet payments, etc.

For more information about VAT exclusions, see [point 4](#).

##### b. Specific exclusions and VAT treatment connected with excise goods

**Important:** In some specific cases, the nature of transaction imply a special treatment on the grounds of VAT regulations.

Example: if you sell **vouchers** (gift vouchers, book tokens, electronic vouchers, etc.), see [point 5](#).

## 1.2. VAT rates in the Slovak Republic

In Slovak VAT regulations, particular groups of goods and services are generally assigned to specific VAT rates. The VAT rates in the Slovak Republic are **20%** (standard rate concerning vast majority of products), **10%** and **5%** (reduced rates). For specific transactions, Slovak VAT regulations provide also **VAT exemption**.

Goods and services which may be subject to reduced VAT rates (10% and 5%) in the Slovak Republic are strictly determined and listed in the Slovak VAT regulations.

**In case your goods or services are not directly stipulated in the Slovak VAT regulations as subject to a reduced rate (or VAT exemption), the standard 20% VAT rate should be applied for goods and services provided to Slovak customers or in the Slovak Republic** (unless the transaction is fully excluded from VAT treatment).

Additionally, the Slovak VAT regulators introduced a dedicated instrument – [Binding Rate Assessment](#) (Slovak: “Záväzné stanovisko finančnej správy”) – which enables taxpayers to confirm a proper VAT rate for goods and services applicable in the Slovak Republic with the Slovak tax authorities (note that Binding Rate Information cannot be used to determine VAT rates in countries other than the Slovak Republic). In case of doubts, a taxpayer (also foreign) may apply to the tax authorities (within specific procedure) for a Binding Rate Assessment to confirm what VAT rate is applicable to a specific product or service provided.

**NOTE:** While listing Items on Allegro, remember to analyse and provide classification of Items you offer (goods vs. services vs. other items) to ensure that the VAT treatment in the Slovak Republic is correctly applied.

Secondly, determine if the Items are subject to the standard VAT rate (20%), one of reduced VAT rates (10% or 5%) or if they are covered by VAT exemption.

In this context, check the guidelines presented in [point 2 and 3](#) below.

## 2. Items classified as GOODS for VAT purposes

### 2.1. What may be classified as goods for VAT purposes

- o In the EU VAT regulations, “**goods**” are defined as movables and immovables, their parts, and all types of energy.
- o Examples: books, clothes, toys, household equipment, gas.

### 2.2. I am selling goods in the Slovak Republic via Allegro. How to check which VAT rate is applicable?

To check how the goods you sell are taxed in the Slovak Republic, you need to determine:

- the category or type of goods you sell, and
- how it is classified for the purposes of the Combined Nomenclature (i.e., with consideration of so called **CN codes**).

## 2.3. What you should know about CN codes and how they are used for purposes of VAT treatment

**CN codes** are used for classifying goods. They are set up to meet the requirements of both the Common Customs Tariff, and the EU's external and intra-community trade statistics. The CN codes are assigned based on the nature or type of goods.

In order to determine a correct CN code, identify the category of the goods you sell and find a corresponding CN code on the list of Combined Nomenclature available on the European Commission website under this link: [CN codes](#).

In order to facilitate proper classification, also check explanatory notes for the Combined Nomenclature: [CN explanatory notes](#).

When possessing the aforementioned information (category of product and a CN code), in majority of cases you should be able to assess if goods you sell are subject to the standard or the reduced VAT rate in the Slovak Republic. This is because Slovak VAT regulations generally determine reduced VAT rates for goods classified by specific CN codes (note that there are also cases where reduced VAT rates are applicable to specific types of goods, regardless of CN codes, if they have certain characteristics or meet certain conditions). However, please note that in order to apply the reduced rate the specific goods should match not only the prescribed CN code but also the wording description for the given category (see below).

If you know CN codes of the goods you sell, see points 2.4 and 2.5 below to check the general information on the tax rate applicable to your goods.

Note that generally all goods covered by the same CN code should be taxed with the same tax rate. Only in some cases, goods that potentially should be assigned to particular group (which is taxed according to one VAT rate) are taxed with different VAT rate as an exception – however, such situations are clearly indicated in the Slovak VAT regulations. In such cases, there exist a clear exclusion (e.g. for some goods within one CN group which cannot be taxed with a given reduced VAT rate as other goods within the same CN group).

If you use a reduced VAT rate, you should check the CN code of goods you sell at least once a year, as possible changes in the CN classification and the Slovak VAT regulations may affect VAT treatment.

## 2.4. What VAT rates are applicable on goods in the Slovak Republic

**IMPORTANT:** The standard 20% VAT rate is applicable as a general rule. Reduced VAT rates should be treated as an exception (and, thus, interpreted strictly).

In the Slovak Republic, supply of goods can be subject to following VAT rates:

### 20% BASIC VAT RATE

Applicable to vast majority of products (all goods that could not be identified as subject to a reduced VAT rate of 10% or 5% rate, or the VAT exemption).

Examples: clothes, furniture, kitchenware, jewelry, car accessories, electronic devices, toys, household equipment, etc.

<b>10% REDUCED VAT RATE</b>	<p>Examples: selected foods and healthcare goods, some products for disabled people, pharmaceuticals, bakery products, printed books, periodicals or newspapers and etc.</p> <p>To check whether the goods you sell should be subject to the reduced 10% VAT rate, see table A below.</p>
<b>5% REDUCED VAT RATE</b>	<p>Only applied to the delivery of a building, part of a building, including the building land on which the building or part of the building stands, or the renovation and reconstruction of a building, including construction and assembly work, which meets the conditions of a building of state - supported rental housing and the recipient of the performance is the landlord of a state - supported rental housing dwelling</p>
<b>VAT exemption</b>	<p>The VAT exemption more often applies to services (such as financial, cultural or insurance services, etc.) than to goods. Goods exempted from VAT in the B2C relation may cover e.g., a supply of postal stamps (for nominal value) used in the Slovak Republic.</p>

To avoid making mistakes in classification of Items, you need to carefully verify the nature of your Item, as well as check which VAT rate is applicable - sometimes Items, which seem to be similar may have different VAT classifications and be applicable to different VAT rates.

#### **Example 1:**

Transactions, including banknotes and coins used as legal tender are VAT- exempt. However, under the Slovak VAT regulations, collectible banknotes and coins, as such considered to be coins of gold, silver, or other metal and banknotes which are not normally used as a legal tender or are of a numismatic value are subject to the basic 20% VAT rate or the special procedure for traders with used goods, collectibles or investment gold.

#### **Example 2:**

Supply of a bottled beer and draft beer consumed outside the restaurant are taxable according to the 20% VAT rate. However, supply of a draft beer (the alcohol must not exceed 0,5% of its volume) consumed in a restaurant facility is considered as „restaurant services“ and taxable according to the 10% VAT rate. The supply of alcoholic beverages in the context of the provision of restaurant and catering services is thus subject to a standard VAT rate of 20 %..

#### **Example 3:**

Supply of printed publications such as books are taxable according to the 10% VAT rate. However, supplying e-books and e-magazines are taxed at the 20% standard VAT rate.

#### **Example 4:**

Fruit or vegetable juices are subject to 10% only if there is no added sugar or the added sugar does not exceed 5g per 100 ml. Otherwise, 20% standard VAT rate is applicable.

**Example 5:**

The contact lenses are subject of 10% VAT rate. However, the contact lens care solution is subject to the 20% standard VAT rate.

## 2.5. Which goods are subject to reduced 10% VAT rates based on CN codes?

Below you will find table A with listed goods, which are subject to reduced VAT rates of 10% (depending on their CN codes and wording descriptions). In the Slovak Republic, the reduced VAT rates are applicable for specific goods, as presented in table A.

**Table A**

CN code symbol	Name of Goods (group of goods)	REDUCED VAT RATE
<b>Goods with reduced VAT rate</b>		
201	- Meat of bovine animals, fresh or chilled, excluding meat of wild bovine animals of heading 0102	10%
ex 0203	- Meat of swine, fresh, chilled or frozen - only meat of domestic swine, fresh or chilled	10%
ex 0204	- Meat of sheep or goats, fresh, chilled or frozen Only meat of sheep or goats, fresh or chilled, excluding meat of wild sheep and goats	10%
ex 0207	- Meat and edible offal, of poultry of heading 0105, fresh, chilled or frozen - only meat and edible offal of domestic fowls, fresh or chilled	10%
ex 0208	- Other meat and edible meat offal, fresh, chilled or frozen - only meat and edible meat offal of domestic rabbits, fresh or chilled	10%
ex 0301	- Live fish - freshwater fish only, excluding ornamental fish of heading 0301 11 00	10%
ex 0302	- Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304 - freshwater fish only, excluding ornamental fish of heading 0301 11 00	10%
ex 0304	- Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen - only fish fillets and other fish meat (whether or not minced) of freshwater fish other than ornamental fish of heading 0301 11 00, fresh or chilled	10%
ex 0401	- Milk and cream, not concentrated nor containing added sugar or other sweetening matter - milk only	10%
0405 10	- Butter	10%
0403	- Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa	10%
0406	- Cheese and curd cheese - only special sheep's cheese (in Slovak language:y "bryndza")	10%
0409 00 00	- Natural honey	10%
0701	- Potatoes, fresh or chilled	10%
0702 00 00	- Tomatoes, fresh or chilled	10%
0703	- Onions, shallots, garlic, leeks and other onion vegetables, fresh or chilled	10%

0704	- Cabbage, cauliflower, kohlrabi, kale and similar edible brassicas, fresh or chilled	10%
0705	- Lettuce ( <i>Lactuca sativa</i> ) and chicory ( <i>Cichorium</i> spp.), fresh or chilled	10%
0707 00	- Cucumbers and gherkins, fresh or chilled	10%
0708	- Leguminous vegetables, shelled or unshelled, fresh or chilled	10%
0709	- Other vegetables, fresh or chilled	10%
0808	- Apples, pears and quinces, fresh	10%
1905	- Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, baking wafers, rice paper and similar products - only fresh bread according to the special provisions) and only fresh pastry according to the special provisions), weighing between 40 g and 50 g	10%
ex 2009	- Fruit juices (including grape must) and vegetable juices, unfermented and not containing added alcohol, whether or not containing added sugar or other sweeteners - only juices without added sugar or juices with added sugar not exceeding 5 g per 100 ml.	10%
ex2844 40	- Radioactive elements and isotopes and compounds, other than those of subheadings 2844 10, 2844 20 or 2844 30; alloys, dispersions (including cermets), ceramic products and mixtures containing these elements, isotopes or compounds; radioactive residues - for medical use only	10%
2925 11 00	- Saccharin and its salts	10%
2941	- Antibiotics	10%
30	- Pharmaceutical products	10%
3822 00 00	- Diagnostic or laboratory reagents on a backing and prepared diagnostic or laboratory reagents, whether or not on a backing, other than those of heading 3002 or 3006; certified reference materials	10%
ex3922 90 00	- Other sanitary articles of plastics - only bath seats for use by severely disabled citizens	10%
4901	- Printed books, brochures, leaflets and similar printed matter, whether or not in single sheets, excluding books, brochures, leaflets and similar printed matter, whether or not in single sheets, in which the advertising and publicity represent, individually or in combination, more than 50 % of the total content of the product	10%
4902 10 00	- Newspapers, journals and periodicals, whether or not illustrated or containing advertising matter, published at least four times a week, except newspapers, journals and periodicals, whether or not illustrated or containing advertising matter, in which advertising and advertising represent, individually or in aggregate, more than 50 % of the total content of the product, and except newspapers, journals and periodicals, whether or not illustrated or containing advertising matter, in which erotic content represents, individually or in aggregate, more than 10 % of the total content of the product	10%
4903 00 00	- Picture, drawing or painting books for children	10%
4904 00 00	- Music, printed or in manuscript, whether or not bound or illustrated	10%
6115 10	- Hosiery with graduated compression (e.g. stockings for varicose veins)	10%
ex6602 00 00	- Walking sticks, seat-sticks, whips, riding crops and the like - for blind and partially sighted persons only	10%

ex8428 90 95	- Other lifting, handling, loading or unloading machinery and equipment - only bath hoists for use by severely disabled citizens	10%
ex8471 49 00	- Other automatic data-processing equipment, presented in the form of a system - only equipment with voice or tactile output for the blind and partially sighted	10%
ex8518 40	- Electrical low-frequency amplifiers (audio-frequency) - only individual amplifiers for the hearing impaired, induction loop amplifiers for the hearing impaired, induction loop amplifiers for the hearing impaired, group amplifiers for teaching hearing-impaired children	10%
ex8531 80 95	- Other electrical acoustic or visual signaling apparatus (other than those of heading 8512 or 8530) - for the hearing or visually impaired only	10%
8713	- Wheelchairs for the physically handicapped, whether or not motorized or otherwise mechanically propelled	10%
8714 20 00	- Parts and accessories of wheelchairs for the physically handicapped	10%
9001 30 00	- Contact lenses	10%
9001 40	- Glass spectacle lenses	10%
9001 50	- Spectacle lenses of other materials	10%
9021	- Orthopedic appliances, including crutches, medical and surgical belts and bandages; splints and other appliances for the treatment of fractures; artificial parts of the body; hearing aids and other appliances worn or carried on or implanted in the body to compensate for some defect or incapacity.	10%
9619 00	- Sanitary towels and tampons, napkins and napkin liners for babies, and similar articles, of any material - for incontinence only	10%

**IMPORTANT:** The Seller might intend to sell a package of products including goods that are subject to different VAT rates. As a rule, delivery of each item should be taxable separately according to appropriate VAT rates, unless their supply could be perceived as a complex supply e.g. with one predominant item (in such case potentially, the supply of a whole set – depending on circumstances – could fall into VAT treatment defined by the “main” product). Such situations usually constitute complex VAT issue. Please contact your tax adviser to determine a proper VAT treatment.

**The above is very important in the light of risk arising for both Seller and Allegro connected with the potential understatement of VAT liability.**

### 3. Items classified as SERVICES for VAT purposes

As mentioned in the introduction, identifying the given transaction’s nature (supply of goods vs. supply of services) is crucial for proper determination of VAT obligations arising for both Allegro and Sellers.

#### 3.1. I am not selling goods. Does it mean I am selling services in the Slovak Republic?

According to the Slovak VAT regulations, as a rule, if you are performing business activity in the Slovak Republic and you are **not selling goods** (defined in point 2 above), you are probably **selling services**.

Examples: transportation, catering and restaurant services, advisory, accountancy services, as well as electronic services.

Doubts regarding proper identification of service will usually arise in case of electronic services or discount coupons, due to intangible nature of provided products.

If you sell electronic services, please see [point 3.3.1](#).

If you sell tickets to concerts or other cultural events, please see [point 3.3.2](#).

**IMPORTANT:** There may be situations where the sale of an Item constitutes neither a delivery of goods nor provision of services.

Examples: Sale of particular types of vouchers or prepaid cards (or cards for safe payments on the Internet) may not necessarily constitute provision of services. Please check [point 4](#) below to see examples.

### 3.2. VAT rates applicable to services in the Slovak Republic

If the services you supply via the Allegro platform are taxed in the Slovak Republic, note that most of services are subject to the 20% VAT rate. However, there are specific situations when a reduced VAT rate (and potentially VAT exemption for strictly determined service types) could be applied to the provided services. The services falling to the reduced rates have to match the respective code of SK-CPA (standard classification of services kept by the Slovak Statistic Office) and the wording description.

A reduced VAT rate and VAT exemption is applicable to:

**Table B**

SK-CPA	Description of service	REDUCED VAT RATE
<b>LIST OF SERVICES WITH A REDUCED TAX RATE</b>		
49.39.20	Transportation of persons by cable cars and ski lifts	10%
55	Accommodation services	10%
56	Food and beverage services – (restaurant and catering services only)	10%
93.11.10	Operation of sports facilities - only the provision of access to indoor and outdoor sports facilities, such as stadiums, arenas, rinks, swimming pools, sports grounds, golf courses, bowling greens, tennis courts and riding stables, for the purposes of the pursuit of sport	10%
93.13.10	Fitness centre services - admission to fitness centres only	10%
93.29.11	Services related to the operation of recreational parks and beaches – (only admission to artificial swimming pools)	10%
<b>LIST OF TAX EXEMPT ACTIVITIES</b>		
➤	Universal Postal services	
➤	Health care	
➤	Social assistance services	

➤	Educational and training services
➤	Services supplied to members
➤	Services related to sport and physical education
➤	Cultural services
➤	Fundraising
➤	Public television and public radio services
➤	Insurance services
➤	Supply and rental of immovable property
➤	Financial activities
➤	Sale of postal stationery and stamps, if sold for nominal value
➤	Operation of lotteries and other similar games

**IMPORTANT:** It is necessary to differentiate between a provision of services and a sale of “items” (like particular types of vouchers) which may not necessarily constitute services.

EXAMPLE: In case of provision of:

- SPV vouchers, their supply should be treated as supply of the services to which the voucher relates. To check if you sell vouchers, see [point 5.1](#)
- money equivalents, such as prepaid cards (or cards for safe payments on the Internet), they should not trigger charging VAT. To check if you sell money equivalents, see [point 4.1](#).

### 3.3. Selected examples of specific types of services often supplied via the Allegro platform

Below you will find examples of categories of specific services that the Sellers might sell via the Allegro platform. Comments below could be helpful if you have any doubts regarding proper classification of products you offer.

#### 3.3.1. Electronic services

##### 3.3.1.1. What the rules regarding their taxation are

If you render electronic services, you should:

- check the status of recipient (whether it is a taxpayer or not)
- determine whether it is you that provides services in favor of a final beneficiary
- potentially register for VAT in the Slovak Republic (if necessary) – note that most of the EU countries allow to apply simplifications (settlements via OSS in the country of identification)
- account for VAT accordingly.

Ask your tax advisor for details.

**IMPORTANT:** Make sure what is the subject of your sale (e.g. whether it is an electronic service instead of a voucher).

To check if you sell vouchers, see [point 5.1](#).

### 3.3.1.2. What electronic services are

By electronic services, the VAT regulations understand services which are delivered over the Internet or an electronic network, and the nature of which renders their supply automated and involving minimal human intervention, and impossible to ensure in the absence of information technology.

Examples of electronic services are accessing or downloading software, accessing ready-made accounts in gaming platforms, accessing or downloading photographs, subscription to online newspapers and journals, and so on.

Generally, electronic services should be subject to the 20% VAT rate.

### 3.3.1.3. Examples of electronic services

Examples of electronic services and services, which are similar but are not treated as electronic services can be found below:

Examples of electronic services	Examples of non-electronic services
the supply of digital products generally, including software and changes to or upgrades of software	radio and television broadcasting services
services providing or supplying business or personal presence on an electronic network, such as a website or a webpage	telecommunications services
services automatically generated from a computer via the Internet or an electronic network, in response to specific data input by the recipient	goods where the order and processing is done electronically
the transfer for consideration of the right to put goods or services up for sale on an Internet website operating as an online market on which potential buyers make their bids by an automated procedure and on which the parties are notified of a sale by electronic mail automatically generated from a computer	CD-ROMs, floppy disks and similar tangible media
Internet Service Packages (ISP) of information in which the telecommunications component forms an ancillary and subordinate part (i.e., packages going beyond a mere Internet access and including other elements such as content pages giving access to news, weather forecasts, or travel reports; playgrounds; website hosting; access to online debates etc.)	printed matter, such as books, newsletters, newspapers, or journals
website hosting and webpage hosting	CDs and audio cassettes
automated, online, and distance maintenance of programs	video cassettes and DVDs

remote system administration	games on a CD-ROM
online data warehousing where specific data is stored and retrieved electronically	services of professionals such as lawyers and financial consultants who advise clients by e-mail
online supply of on-demand disc space	teaching services where the course content is delivered by a teacher over the Internet or an electronic network (namely via a remote link)
accessing or downloading software (including procurement or accountancy programs and antivirus software), together with later updates	offline physical repair services of computer equipment
software to block banner adverts showing, otherwise known as Bannerblockers	offline data warehousing services
downloading drivers, such as software that connects computers with peripheral equipment (such as printers)	advertising services, in newspapers, on posters, and on television
online automated installation of filters on websites	telephone helpdesk services
online automated installation of firewalls	teaching services purely involving correspondence courses, such as postal courses
accessing or downloading desktop themes	conventional auctioneers' services reliant on direct human intervention, irrespective of how bids are made
accessing or downloading photographic or pictorial images or screensavers	telephone services with a video component, otherwise known as videophone services
the digitized content of books and other electronic publications	access to the Internet and World Wide Web
subscription to online newspapers and journals	telephone services provided through the Internet.
weblogs and website statistics	
online news, traffic information, and weather reports	
online information generated automatically by software from specific data input by the customer, such as legal and financial data, (such data as continually updated stock market data, in real time)	
the provision of advertising space including banner ads on a website	
use of search engines and Internet directories	
accessing or downloading of music to computers and mobile phones	
accessing or downloading of jingles, excerpts, ringtones, or other sounds	
accessing or downloading films	
downloading games to computers and mobile phones	
accessing automated online games which are dependent on the Internet access, or other similar electronic	

networks, where players are geographically remote from one another.	
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Source: COUNCIL IMPLEMENTING REGULATION (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax) Article 7 and Annex I ([link](#))

Note that there are many Items sold via Allegro platform (especially those related to gaming) of which a correct identification as an electronic service could raise doubts. Doubts may arise in case of:

- an access to account (along with the game) or a game available on gaming platform – both new or developed to certain level – in particular if access is granted by providing a key code
- an access to account available on gaming platform (along with the game – both new or developed to certain level) – in particular if access is granted by providing a login and a password
- access to game currency – where access is granted by providing a key code
- access to game currency – in particular if the access is granted via game characters, during the game etc.

Note that the sale of the above Items could be potentially treated as delivery of unspecified item, for example a voucher enabling to purchase items, or provision of services regarding granting access to specified content. **If the assessment of VAT consequences regarding the supply of particular products raises doubts, contact your tax advisor to verify relevant VAT treatment.**

### 3.3.2. Sale of tickets to cultural, artistic, sports, scientific, educational, entertaining or similar events

Note that on the grounds of VAT, sale of tickets to cultural artistic, sports, scientific, educational, entertaining, or similar events is generally treated as provision of services.

The ticket is an identity card confirming that a holder or a person named on a ticket has the right to use the service offered by the entrepreneur using the ticket (and therefore obliges the entrepreneur to perform the service and not only to accept the document as remuneration for the service).

Remember that sale of tickets via the Allegro platform may be subject to specific rules (specific listing).

## 4. Exclusions – items which are not classified as Goods or Services for VAT purposes

As mentioned before, situations arise where the sale is not treated as a supply of goods or provision of services. Such situation takes place, for example, if you sell pay safe or prepaid cards, coins and banknotes that are not used as legal tender or that have numismatic value.

### 4.1. I am selling money equivalents in the Slovak Republic – how is it taxed?

By prepaid cards or cards for safe payments (such as paysafe cards) we understand the cards which enable exchanging cash or money deposited in a bank account into “electronic money”, to be used in the form of a prepaid card. The money collected in a prepaid card let the customer use it to make electronic purchases e.g. on the Internet, using them to pay for the purchased goods or services to several selected entities. Neither the issuer of prepaid cards nor the distributor has any knowledge of how the customer will use their prepaid card, i.e. for which goods or services they will pay and which entity they will buy from.

According to VAT regulations, supplying prepaid cards should not be considered as either the supplying of goods or the provision of services, because:

- a) prepaid cards and electronic money do not meet the definition of goods (as they represent monetary value),
- b) in general the prepaid cards provided to customers do not constitute benefit as such, but only entitle them to use prepaid cards effectively as money equivalent.

**Thus, if you sell prepaid card or electronic money, such supply should generally remain outside the scope of the VAT treatment.**

On the other hand, some transactions, including agency or concerning currency, banknotes, and coins used as legal tender are subject to VAT (still, are VAT exempted). Additionally, banknotes and coins which are collectors' items, considered to be coins of gold, silver, or other metals, and banknotes which are not normally used as legal tender or are of a numismatic value are subject to VAT (the basic 20% VAT rate or a special procedure of VAT margin is applicable).

## 5. Exclusions or a special VAT treatment – unspecified items

In some situations, assignment of an Item to one of the groups described above could be problematic. In that event, check whether your Item should not be treated, for example, as a voucher, a discount coupon or a ticket. If in doubt, contact your tax advisor.

### 5.1. Supply of vouchers, cards, tokens, coupons, etc.

Note that it is crucial to determine whether the Item you sell on Allegro should not be identified as a voucher – as there are special rules of voucher taxation. Additionally, in certain cases, delivery of a voucher could remain outside the scope of VAT treatment.

### 5.2. What is a voucher?

If you sell, for example:

- telephone cards
- prepaid phone credit
- tokens
- certain types of discount vouchers or instruments
- credits that can be used online

you need to check if it is not a voucher in the meaning of the VAT regulations.

**A voucher** is an instrument in an electronic or a physical form where:

- **there is an obligation to accept it as remuneration or partial remuneration for a supply of goods or services, and**
- **the goods or services to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms of use of such instruments.**

The name or title of the instrument is not decisive. Instead, it must meet the criteria above to be considered a voucher for VAT purposes.

Tickets to cinemas or museums, postage stamps, and the like are not considered vouchers. If you sell tickets, go to point 3.3.2.

Discount instruments that entitle the holder to a discount upon the purchase of goods or services but carry no right to receive such goods or services are not considered vouchers.

### 5.3. The types of vouchers

There are two types of vouchers: single-purpose vouchers (SPV) and multi-purpose vouchers (MPV). Taxation of vouchers depends on the kind of voucher that is sold.

**IMPORTANT:** It is important to determine what type of voucher you sell.

Vouchers	
Single-purpose vouchers (SPV)	Multi-purpose vouchers (MPV)
<p>A single-purpose voucher is a voucher for which the following is known at the time of issuing the voucher:</p> <ul style="list-style-type: none"> <li>➤ the place of supply of the goods or the services to which the voucher relates, and</li> <li>➤ the VAT rate due on those goods or services.</li> </ul> <p>A voucher meeting those conditions can only be considered an SPV where the underlying supply to which the voucher relates is liable at a single rate of VAT.</p> <p>For example, where the underlying goods or services are taxed at the same rate (standard or reduced), the voucher is an SPV. When different VAT rates apply to the underlying supplies, then the voucher should be treated as a multi-purpose voucher.</p>	<p>Any voucher that is not a SPV is considered to be a multipurpose voucher for VAT purposes.</p> <p>MPVs can be used to purchase many different goods and services that are liable to different rates of VAT and can have different places of supply. A voucher is a MPV where either the underlying supply or the VAT which is due is not known.</p>
<p>The issuing of SPV and each subsequent transfer of an SPV are <b>subject to VAT</b> at the rate that applies to the goods or services to which the voucher relates.</p> <p>Effectively, the underlying supply and applicable VAT rate is known at the time of issuing of the SPV. The VAT is due in the VAT period in which it is sold.</p>	<p>VAT is only chargeable when an MPV is redeemed for the underlying supply of goods or services. The handing over of the goods or actual provision of the services in return for an MPV is a supply for VAT purposes.</p> <p>The transfer or issuing of an MPV (the sale of an MPV) by a taxable person to another taxable person should be <b>outside the scope of VAT</b>.</p>
<p>The rate of VAT on the issue, transfer or supply of a SPV is the rate applicable to the underlying goods or services.</p> <p>An SPV can also be exempt from VAT if the underlying goods or services are VAT- exempted.</p>	<p>No VAT is due on the issuing, transfer or supply of an MPV. The VAT only becomes due when an MPV is redeemed.</p> <p>The rate of VAT applicable on redemption of an MPV is the rate applicable to the underlying goods or services supplied.</p>

#### 5.4. Examples of vouchers with the manner of their taxation

1.	a key code giving the access to specified operating system (license) in the Slovak Republic	<b>voucher (SPV)</b>	taxable – 20% VAT
2.	a key code giving the access to a specific gaming platform in the Slovak Republic	<b>voucher (SPV)</b>	taxable – 20% VAT
3.	a gift card worth 50 € enabling the purchase of <b>specific</b> good or services in specific shop, subject to one specific VAT rate (e.g. a car part) in the Slovak Republic	<b>voucher (SPV)</b>	taxable – one VAT rate appropriate for the specified good or service
4.	a gift card worth 50 € enabling the purchase of different ( <b>unspecified</b> ) goods or services in a specific shop or platform, potentially subject to different VAT rates (e.g. different types of food or groceries)	<b>voucher (MPV)</b>	outside of VAT at the moment of supplying such a gift card

### 6. Exclusions and special VAT treatment – goods subject to excise tax

When checking the above, you should also verify whether your Item may be subject to excise duty (usually tobaccos, alcohols, fuel, and others). This is also important in view of the fact that excise tax goods do not fall under the standard regulations regarding the distance sale of goods, especially if performed via platforms such as Allegro, and may be taxed separately based on specific regulations. Bearing that in mind, you should verify if the goods you sell are subject to excise duty or not.

#### 6.1. What are the goods subject to excise duty?

Under the term “**excise goods**”, there are particular energy products, alcoholic beverages, and tobacco products, as defined by the EU legislation. Below you can find definitions and examples of products included in each category of excise goods.

## ENERGY PRODUCT

The term "energy products" covers the following products:

- a) falling within CN codes 2701, 2702, 2704, from 2706 to 2715 (excl. 271320000)
- b) falling within CN codes 2711 11, 2711 21, 2711 29, 2705
- c) falling within CN code 2716
- d) falling within CN codes from 1507 to 1518 intended for use as a fuel
- e) falling within CN codes from 2706 to 2715 (excl. 2711 11, 2711 21, 2711 29, solid hydrocarbons of CN from 2706 to 2715 excl. 2713 20 00
- f) falling within CN codes 2901 and 2902
- g) falling within CN code 2905 11 00 which are not of synthetic origin if these are intended for use as heating fuel or motor fuel
- h) falling within CN code 3403
- i) falling within CN code 3811
- j) falling within CN code 3817
- k) falling within CN code 3826 00 10
- l) falling within CN code 3824 99 96 and 3826 00 90 if these are intended for use as heating fuel or motor fuel
- m) any product intended for use, offered for sale, or used as motor fuel, or as an additive or extender in motor fuels
- n) any other hydrocarbon, except for peat, intended for use, offered for sale, or used for heating purposes.

## ALCOHOL BEVERAGES

**a/ beer**

The term 'beer' covers any product falling within CN code 2203 or any product containing a mixture of beer with non-alcoholic drinks falling within CN code 2206, in either case with an actual alcoholic strength by volume exceeding 0.5 % vol.

**b/ ethyl alcohol**

The term 'ethyl alcohol' covers:

- all products with an actual alcoholic strength by volume exceeding 1.2 % volume which fall within CN codes 2207 and 2208, even when those products form a part of a product which falls within another chapter than 22 of the CN
- products with CN codes 2204, 2205 and 2206 which have an actual alcoholic strength by volume exceeding 22 % vol.
- products containing diluted or undiluted spirit.

<p><b>c/ still wine</b></p>	<p>The term 'still wine' covers all products falling within CN codes 2204 and 2205, except for sparkling wine:</p> <ul style="list-style-type: none"> <li>- having an actual alcoholic strength by volume exceeding 1.2 % vol. but not exceeding 15 % vol. provided that the alcohol contained in the finished product is entirely of fermented origin,</li> <li>- having an actual alcoholic strength by volume exceeding 15 % vol. and not exceeding 18 % vol. provided they have been produced without any enrichment and that the alcohol contained in the finished product is entirely of fermented origin.</li> </ul>
<p><b>d/ sparkling wine</b></p>	<p>The term 'sparkling wine' covers all products falling within CN codes 2204 10, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09 , 2204 29 10 and 2205 which:</p> <ul style="list-style-type: none"> <li>- are contained in bottles with mushroom-shaped stoppers held in place by ties or fastenings, or have an excess pressure due to carbon dioxide in solution of three bar or more,</li> <li>- have an actual alcoholic strength by volume exceeding 1.2 % vol. but not exceeding 15 % vol. provided that the alcohol contained in the finished product is entirely of fermented origin.</li> </ul>
<p><b>f/ other still fermented beverages</b></p>	<p>The term 'other still fermented beverages' covers all products falling within CN codes 2204 and 2205 (other than wine) and products falling within CN code 2206, except other sparkling fermented beverages, as defined below, and beer:</p> <ul style="list-style-type: none"> <li>- having an actual alcoholic strength by volume exceeding 1.2 % vol. but not exceeding 10 % vol</li> <li>- having an actual alcoholic strength by volume exceeding 10 % but not exceeding 15 % vol. provided that the alcohol contained in the product is entirely of fermented origin.</li> </ul>
<p><b>g/ other sparkling fermented beverages</b></p>	<p>The term "other sparkling fermented beverages" covers products falling within CN codes 2204 10, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09, 2204 29 10, 2205 and 2206 00 31, 2206 00 39 , as well as products falling within CN codes 2204 10, 2204 21 10, 2204 29 10 and 2205 (other than wine), which:</p> <ul style="list-style-type: none"> <li>- are contained in bottles with 'mushroom stoppers' held in place by ties or fastenings, or have an excess pressure due to carbon dioxide in solution of three bar or more,</li> <li>- have an actual alcoholic strength by volume exceeding 1.2 % vol., but not exceeding 13 % vol.</li> <li>- Products falling within CN codes 2206 00 31 and 2206 00 39 which have an actual alcoholic strength by volume exceeding 13 %, but not exceeding 15 % vol. provided that the alcohol contained in the product is entirely of fermented origin.</li> </ul>

<b>f/ intermediate products</b>	The term 'intermediate products' covers all products of an actual alcoholic strength by volume exceeding 1.2 % vol., but not exceeding 22 % vol. and falling within CN codes 2204, 2205 and 2206 (not included in the groups listed above).
<b>TABACCO PRODUCTS</b>	
<b>a/ cigarettes</b>	<p>The term cigarettes means:</p> <ul style="list-style-type: none"> <li>a) rolls of tobacco that can be smoked as they are and which are not cigars or cigarillos</li> <li>b) rolls of tobacco which by simple non-industrial handling are inserted into cigarette paper tubes</li> <li>c) rolls of tobacco which by simple non-industrial handling are wrapped in cigarette paper.</li> </ul>
<b>b/ cigars and cigarillos</b>	<p>The term “cigars and cigarillos” covers the following products if they can be and, given their properties and normal consumer expectations, are exclusively intended to be smoked, as they are:</p> <ul style="list-style-type: none"> <li>a) rolls of tobacco with an outer wrapper of natural tobacco,</li> <li>b) rolls of tobacco with a threshed blend filler and with an outer wrapper of the normal color of a cigar, of reconstituted tobacco, covering the product in full, including, where appropriate, the filter but not, in the case of tipped cigars, the tip, where the unit weight, not including filter or mouthpiece, is not less than 2.3 g and not more than 10 g, and the circumference over at least one third of the length is not less than 34 mm.</li> </ul>
<b>c/ smoking tobacco</b>	<p>The term “smoking tobacco” means:</p> <ul style="list-style-type: none"> <li>a) tobacco which has been cut or otherwise split, twisted or pressed into, blocks and is capable of being smoked without further industrial processing</li> <li>b) tobacco refuse put up for retail sale (other than cigarettes, cigars, cigarillos) and which can be smoked.</li> <li>c) tobacco for self-made cigarettes, if it contains more than 25% by weight of tobacco particles with a cut width narrower than 1.5 mm</li> </ul>

## 7. Still not sure?

In some cases, determination of the correct VAT rate could be difficult and raise multiple questions. Remember that **this guidebook is not a tax advice**. It should not be treated as any sort of advice regarding classification of the VAT rates of performed transactions or assessment of tax position in individual Sellers' cases. In particular situations, the Seller should perform relevant analysis on their own.

Remember that incorrect taxation of sale of goods and services in the Slovak Republic may trigger relevant **risks for Allegro, but especially for the Seller, as well as his clients**.