

**Act no. 431/2002 Coll. on Accounting
as amended by Act no. 562/2003 Coll. and Act no. 561/2004 Coll.**

The National Council of the Slovak Republic has passed the Act as follows:

PART ONE
Basic and general provisions

Section 1
Subject matter of the Act

- (1) This Act governs:
- a) the scope, methodology and verifiability of accounting by
 1. legal persons¹⁾ having their registered offices in the Slovak Republic,
 2. non-resident persons²⁾ doing business or conducting other activities in the Slovak Republic under separate regulations³⁾,
 3. natural persons doing business or undertaking other independent earning activities where they report expenses incurred for acquiring, assuring and maintaining income in order to determine their income tax base under a separate regulation⁴⁾,
 - b) the scope, content and verifiability of financial statements.

(2) The persons referred to in subsection (1)(a) shall be deemed accounting entities.

Section 2
General provisions

(1) An accounting entity shall keep accounts in the double-entry bookkeeping system or in the single-entry bookkeeping system (section 9).

- (2) The subject matter of accounting comprises the keeping record of:
- a) the state and movement of assets,
 - b) the state and movement of liabilities,
 - c) the difference between assets and liabilities,
 - d) revenues,
 - e) costs,
 - f) income,
 - g) expenses,
 - h) profit or loss of the accounting entity;
- (in this Act referred to as "transactions").

(3) The subject matter of accounting also includes the reporting in the financial statements of facts related to the transactions specified in subsection (2), including off-balance sheet assets and off-balance sheet liabilities.

- (4) For the purposes of this Act,
- a) **assets means those of an accounting entity's total on- and off-balance sheet assets which result from past events and which are expected to increase the accounting entity's future economic benefits, may be reliably valued according to sections 24 to 28, and are presented in the financial statements either in the balance sheet or in the statement of assets and liabilities,**
 - b) **liabilities means an accounting entity's existing obligations which arise from past events and which are expected to reduce the accounting entity's future economic benefits, may be reliably valued according to sections 24 to 28 and are presented in the financial statements either in the balance sheet or in the statement of assets and liabilities,**
 - c) **revenues means an increase in an accounting entity's economic benefits during an accounting period which may be reliably valued,**
 - d) **economic benefit means the possibility of directly or indirectly contributing to cash flows and cash equivalents,**
 - e) **costs means a decrease in an accounting entity's economic benefits during an accounting period which may be reliably valued,**
 - f) **income means an accounting entity's inflow of cash or cash equivalents,**
 - g) **expenses means an accounting entity's outflow of cash or cash equivalents,**
 - h) **profit or loss means the valued final effect of an accounting entity's activities in an accounting period,**
 - i) **total on- and off-balance sheet assets means economic resources which arise from past events and which are expected to result in an increase in the future economic benefits; total on- and off-balance sheet assets comprise assets and off-balance sheet assets,**

¹⁾ Section 18 of the Civil Code as amended by Act no. 509/1991 Coll.

²⁾ Section 21 of the Civil Code as amended by Act no. 500/2001 Coll.

³⁾ For instance, Act no. 34/2002 Coll. on Foundations and consequential amendments to the Civil Code, as amended

⁴⁾ Act no. 595/2003 Coll. on Income Tax as amended by Act no. 43/2004 Coll.

- j) off-balance sheet assets means total on-and off-balance sheet assets which do not meet the conditions for being recorded in the ledger accounts and which shall be presented in the notes to the financial statements,
- k) total on- and off-balance sheet liabilities means the sources of assets representing the total amount of liabilities of an accounting entity, including off-balance sheet liabilities and the difference between assets and liabilities,
- l) off-balance sheet liabilities means an accounting entity's liabilities which do not meet the conditions for being recorded in the ledger accounts and which shall be shown in the notes to financial statements.

Section 3

(1) An accounting entity shall record and report transactions in the period to which they relate temporally and factually (in this Act referred to "the accounting period"). If this principle cannot be observed, such transactions shall be recorded and reported in the period when the relevant facts were identified by the accounting entity.

(2) An accounting entity shall conduct accounting procedures during an accounting period in accordance with section 4(2). The accounting entity shall record costs and revenues in the accounting period in which they are incurred regardless of the date of payment or collection thereof or the date of settlement by other methods. Expenses and income shall always be recorded in the accounting period in which they are paid or collected.

(3) An accounting period shall be identical to a calendar year, unless laid down otherwise by this Act.

(4) An accounting period may also be equivalent to a financial year. The financial year shall be a period of 12 consecutive calendar months not identical with a calendar year.

(5) Any change to an accounting period may only be effected to the first day of a calendar month. When the accounting period is changed, the period from the end of the preceding accounting period to the beginning of the next accounting period shall be an accounting period shorter than 12 calendar months. This shall apply as appropriate when an accounting entity is being incorporated or dissolved; upon the incorporation of an accounting entity the first accounting period shall commence on the date of its incorporation and the last accounting period of an accounting entity being dissolved shall terminate on the date of its dissolution.

(6) An accounting entity may apply an accounting period that is a financial year if it gives written notice of its intention to change the accounting period to the appropriate tax office not less than 15 days prior to the change. Once such a notice has been delivered to the appropriate tax authority, the accounting entity must observe the accounting period that is a financial year throughout the entire subsequent accounting period. Accounting entities shall proceed accordingly in the case of transition from a financial year to a calendar year.

(7) An accounting period that is a financial year may not be applied by an accounting entity referred to in section 1(1)(a)(3) and by public administration authorities⁵⁾.

Section 4

(1) An accounting entity that is a legal person shall keep accounts from the date of its incorporation until the date of its dissolution **except as provided by subsection (3)**; a natural person who reports expenses incurred for acquiring, assuring and maintaining income in order to determine their income tax base shall keep accounts for as long as they do business or conduct other independent earning activities.

(2) The **Ministry of Finance of the Slovak Republic (in this Act referred to as "the Ministry")** shall lay down, by decree, details regarding framework charts of accounts (section 13) applicable to individual groups of accounting entities that keep accounts in the double-entry bookkeeping system; accounting transaction dates; accounting procedures; the structure and designation of items in the individual financial statements and in the consolidated financial statements, including the contents of such items; the extent of data in financial statements intended for publication; the dates, methodologies and location for submitting financial statements and annual reports; the content of books of account in the single-entry bookkeeping system and in the double-entry bookkeeping system; accounting principles and accounting policies used to specify methods of valuation and their application, principles for creating and recording provisions; depreciation; principles for the creation and use of reserves; principles for itemising assets and liabilities; principles for maintaining analytical accounts and keeping **analytical records**; methods and procedures of consolidation; and accounting systems. The Ministry shall promulgate the measure by announcing its publication in the Collection of Laws⁶⁾ and the accounting entity shall be required to adhere thereto.

(3) An accounting entity which is a legal person and which is being wound up without liquidation^{7a)} shall keep accounts up to the date of its winding up without liquidation. From the date following the day of winding up without liquidation to the date of dissolution, the accounts shall be kept by the successor accounting entity. If the successor accounting entity has not yet been incorporated, the accounts shall be kept by the accounting entity that is being

⁵⁾ **Act No. 523/2004 Coll. on Budgetary Rules of Public Administration and on Amendments and Supplements to Certain Laws**

⁶⁾ Section 4(2) of Act of the National Council of the Slovak Republic No.1/1993 Coll. on the Collection of Laws of the Slovak Republic as amended.

^{7a)} **For example, Section 69(6)(d) of the Commercial Code.**

wound up until the date when the successor accounting entity is incorporated, and the successor accounting entity shall continue to keep the accounts from the date of its incorporation.

(4) An accounting entity shall be required to keep accounts and prepare financial statements for itself as a whole. A separate regulation may provide for cases where the accounting entity must keep separate accounts and prepare separate financial statements for itself and in respect of the assets and liabilities of third parties which the accounting entity disposes in its own name⁹⁾.

(5) An accounting entity shall keep accounts in the form of a system of accounting records in accordance with section 31(2). Accounting records shall be understood to mean data containing information on the subject matter of accounts or the methodology for keeping them. The accounting entity is required to keep accounting records only for information relating to the subject matter of accounts or to the methodology for keeping them.

(6) Accounting records include especially accounting documents, accounting entries, books of account, a depreciation schedule, inventory lists, an accounting schedule, financial statements and an annual report. Individual accounting records may be grouped into accounting records containing summary information (in this Act referred to as "summary accounting records"). An accounting entity shall keep accounting records to the extent laid down by this Act.

(7) An accounting entity shall be required to keep accounts and prepare financial statements in monetary units of the Slovak currency. Where **share capital**, receivables and payables, shares¹⁰⁾, securities¹¹⁾, derivatives¹¹⁾, cash, stamps and vouchers are expressed in a foreign currency, the accounting entity shall be required to record them in both the Slovak currency and foreign currency; this obligation shall also apply to provisions, reserves and technical provisions¹²⁾ where the assets and liabilities to which they pertain are expressed in a foreign currency.

(8) An accounting entity must keep books and draw up financial statements in the state language¹³⁾. Any accounting document executed in a language other than the state language must satisfy the condition of comprehensibility according to section 8(5).

Section 5

(1) An accounting entity may entrust the keeping of its accounts to another legal or natural person.

(2) The entrustment under subsection 1 does not relieve the accounting entity of its responsibility to keep accounts, to prepare and submit financial statements and to ensure the verifiability of its accounts to the extent required by this Act.

Section 6

(1) An accounting entity must substantiate all transactions with accounting documents (section 10).

(2) An accounting entity shall record transactions in its books of account only by making accounting entries based on accounting documents.

(3) An accounting entity shall take stock of its assets, liabilities and the difference between assets and liabilities according to sections 29 and 30.

(4) An accounting entity shall be required prepare its individual financial statements according to sections 17 and 18. In the cases referred to in section 22, the accounting entity shall also prepare financial statements for the group of accounting entities irrespective of their domiciles (in this Act referred to as "a consolidated entity") in the form of consolidated financial statements.

(5) An accounting entity shall prepare:

- a) ordinary financial statements,
- b) extraordinary financial statements,
- c) interim financial statements (section 18) where required by a separate regulation¹⁴⁾.

Section 7

(1) An accounting entity shall keep accounts in such a way that its financial statements present a true and fair view of facts subject to the bookkeeping and of its financial situation.

⁹⁾ Act no. 594/2003 Coll. on Collective Investments and consequential amendments.

¹⁰⁾ Section 61(1) of the Civil Code as amended by Act no. 500/2001 Coll.

¹¹⁾ Act no. 566/2001 Coll. on Securities and Investment Services and consequential amendments (Securities Act).

¹²⁾ Act no. 95/2002 Coll. on Insurance and consequential amendments.

¹³⁾ Act of the National Council of the Slovak Republic no. 270/1995 Coll. on the State Language as amended.

¹⁴⁾ For instance, Act no. 483/2001 Coll. on Banks and consequential amendments, **Section 14 of Act no. 595/2003 Coll.**

(2) The presentation in the financial statements is fair if the contents of individual items correspond to the respective facts and comply with the applicable accounting principles and accounting policies. The presentation in the financial statements is true if the financial statements are prepared using accounting principles and policies that lead to a fair presentation of the facts in the financial statements.

(3) An accounting entity must apply the same accounting policies and accounting principles within the one accounting period; if an accounting entity changes the existing accounting policies and accounting principles in the course of an accounting period, the new accounting principles and accounting policies must be applied as of the first date of that accounting period. An accounting entity shall be required to provide information about a change in its accounting principles and accounting policies in the notes to the financial statements. If an accounting entity establishes that the accounting principles and accounting policies applied in the accounting period are incompatible with the true and fair view requirement, the accounting entity shall be required to prepare its financial statements in such a way that gives a true and fair view. The accounting entity shall provide information thereof in the notes to the financial statements.

(4) Any differences resulting from changes of the accounting principles and accounting policies applied in the bookkeeping and in the financial statements shall be deemed transactions of the subsequent accounting period.

(5) An accounting entity shall apply accounting principles and accounting policies based on the assumption that it is a going concern and that there are no facts that could restrict or prevent it from being a going concern in the near future, that is, within 12 months of the preparation of the ordinary financial statements. If the accounting entity possesses information about any such facts, it is required to use the corresponding accounting methodology and to state information on the use of the methodology in its notes to the financial statements.

(6) An accounting entity shall record assets and liabilities, costs and revenues, expenses and income in its books of account, and present them separately without mutual setoffs in its financial statements, except for transactions regulated by accounting principles applicable to accounting entities established under separate regulations¹⁵).

Section 8

(1) An accounting entity shall keep accounts correctly, completely, verifiably, comprehensibly and in a way that ensures the permanence of the accounting records.

(2) An accounting entity keeps accounts correctly if its bookkeeping is carried out in accordance with this Act and other separate regulations.

(3) An accounting entity's accounts and books are complete if the accounting entity has recorded all transactions during the accounting period in its books of account according to section 3, and if for this period it has prepared individual financial statements or consolidated financial statements, issued an annual report according to section 20 or a consolidated annual report, published the data according to section 21, and has kept accounting records of all of these facts.

(4) An accounting entity keeps accounts verifiably if all of its accounting records are verifiable (section 32) and the accounting entity has taken stock of its inventory.

(5) An accounting entity keeps accounts comprehensibly if, in accordance with section 4(7), it is possible to determine reliably and unequivocally the contents of transactions both individually and in connection with the applied accounting principles and accounting policies (section 4(2)), as well as the contents of accounting records in connection with the form of records used by the accounting entity (section 31(2)).

(6) An accounting entity shall keep accounts in a manner that ensures the permanence of accounting records, provided that the accounting entity is capable of ensuring such permanence for the duration of processing and safekeeping under sections 31 to 36.

¹⁵ Section 1 of Act of the National Council of the Slovak Republic no. 566/1992 Coll. on the National Bank of Slovakia as amended.

Section 2 of Act of the National Council of the Slovak Republic no.118/1996 Coll. on Deposit Protection and consequential amendments, as amended.

Section 5 of Act no. 385/1999 Coll. as amended.

Act of the National Council of the Slovak Republic no. 303/1995 Coll. on Budgetary Rules as amended.

Section 1 of Act No. 80/1997 Coll. on the Export-Import Bank of the Slovak Republic as amended.

Section 20 of Act No. 381/2001 Coll. on Compulsory Contractual Insurance of Liability for Damage Caused by the Operation of a Motor Vehicle and consequential amendments.

Section 1 of Act no. 483/2001 Coll.

Section 54 of Act no. 566/2001 Coll.

Section 1 of Act no. 95/2002 Coll.

PART TWO
Accounting systems, accounting documents, accounting entries and books of account

Section 9
Accounting systems

(1) An accounting entity shall keep accounts in the double-entry bookkeeping system, except as provided for in subsection 2.

(2) The following accounting entities may keep accounts in the single-entry bookkeeping system:

- a) an entrepreneur who is allowed to do so under a separate regulation ¹⁶⁾,
- b) a natural person (section 1(1)(a)(3)),
- c) a contributory organisation established by a municipality or a higher territorial unit, provided that the organisation does not conduct business and that the volume of its annual budgeted expenses does not exceed SKK 500,000,
- d) civic associations and their branches which have a legal personality, branches of Matica slovenská which have a legal personality, associations of legal persons, associations of landowners, association of owners of flats and non-residential premises, non-investment funds and non-profit organisations providing generally beneficial services, provided they are not conducting business and that their income did not reach SKK 3,000,000 in the preceding accounting period,
- e) churches and religious societies, their bodies and denominational institutions which have a legal personality, provided that they do not conduct business and are not recipients of subsidies (grants) from the State budget.

(3) An accounting entity that fails to meet the conditions for single-entry bookkeeping as set out in section 2 shall be required to change over from the single-entry bookkeeping system to the double-entry bookkeeping system. A transition from the single-entry bookkeeping system to the double-entry bookkeeping system and from the double-entry bookkeeping system to the single-entry bookkeeping system shall always take effect as of the first day of the accounting period following the accounting period when the accounting entity ascertained the facts justifying such a transition.

Section 10
Accounting documents

(1) An accounting document shall be a verifiable accounting record stating the following:

- a) the designation of the accounting document,
- b) the content of the accounting transaction and identification of parties thereto,
- c) the monetary sum or price per measuring unit and the valuation of the amount,
- d) the date of issue of the accounting document,
- e) the accounting transaction date if not the same as the date of issue,
- f) a signature record of the person (section 32(3)) responsible for the transaction by the accounting entity and a signature record of the person responsible for the entry,
- g) the designation of accounts wherein a transaction shall be entered by an accounting entity keeping accounts in the double-entry bookkeeping system, unless such a designation is generated in the applicable software.

(2) An accounting entity shall make out an accounting document without undue delay upon learning of the fact evidenced by the accounting document, so that the content of each individual transaction can be determined in the manner pursuant to section 8(5).

Section 11
Accounting entries

(1) Accounting entries are records made in the books of account.

(2) An accounting entity shall hereby record accounting entries during the accounting period continuously.

(3) Accounting entities shall be allowed to make accounting entries only in books of account.

Section 12
Books of account in the double-entry bookkeeping system

(1) An accounting entity keeping accounts in the double-entry bookkeeping system shall keep the following books of account:

- a) a general journal showing accounting entries in chronological order as evidence of having duly entered all transactions in the accounting period,
- b) a general ledger showing accounting entries systematically from a substantive point of view, as evidence of the fact that all transactions have been recorded in the accounts of assets, liabilities, the difference between assets and liabilities, costs and revenues.

¹⁶⁾ Section 37 of the Commercial Code as amended by Act no. 600/1992 Coll.

(2) The general ledger shall comprise synthetic accounts and analytical accounts as specified in the accounting schedule, showing the following information in particular:

- a) the states of accounts as at the opening date of the general ledger,
- b) the turnovers of the Credit and Debit sides in individual accounts, summarised at least every month,
- c) balances and states of accounts as at the date of preparation of the financial statements.

(3) Accounting entries made in the synthetic account shall be itemised in detail in analytical accounts.

(4) All transactions recorded in the general journal shall be entered in the general ledger as well.

(5) An accounting **entry** not recorded in the books of account pursuant to subsection (1) shall be recorded in the off-balance sheet accounts.

(6) An accounting entity shall neither record transactions in accounts unspecified in the accounting schedule, nor open accounts outside the books of account.

Section 13

Framework chart of accounts and accounting schedule

(1) A framework chart of accounts shall comprise classes of accounts or groups of accounts or synthetic accounts used to record individual transactions, including the numerical and verbal designation thereof, and off-balance sheet accounts, all of which must be arranged in compliance with the requirements applying to the preparation of financial statements.

(2) In accordance with the framework chart of accounts pursuant to subsection (1), an accounting entity shall draw up an accounting schedule containing the synthetic accounts and analytical accounts necessary for recording all transactions in the accounting period and for preparing financial statements and off-balance sheet accounts. An accounting entity may, if necessary, extend the accounting schedule during the accounting period.

Unless the list of accounts is changed as at the first day of a new accounting period, the accounting entity may continue to use the accounting schedule applicable in the preceding accounting period.

Section 14

(1) Financial sums entered in the analytical accounts must correspond with the respective totals of financial sums in the opening balances, turnovers of the Credit and Debit account sides, ending balances and closing balances of the synthetic accounts to which the analytical accounts are related.

(2) Analytical accounts are part of analytical records kept in monetary units. If required by the nature of assets, analytical accounts may also be expressed in quantitative units and may show other information as required by the accounting entity.

(3) An accounting entity shall keep lists of its books of account and lists of numerical codes or other symbols and/or acronyms used in the books of account and other accounting records, including the necessary explanations.

Section 15

Books of account in the single-entry bookkeeping system

(1) An accounting entity keeping accounts in the single-entry bookkeeping system shall keep the following books of account:

- a) a cash receipts journal,
- b) a receivables ledger,
- c) a payables ledger,
- d) subsidiary ledgers where required for the purpose of documenting and reporting the subject matter of accounting in the financial statements; for example, a subsidiary ledger of individual assets or of liabilities arising from labour relations.

(2) The cash receipts journals shall state especially information on:

- a) the financial position of the accounting entity in cash and in its bank accounts,
- b) revenues in the accounting period, itemised as required for determining the income tax base,
- c) expenses in the accounting period, itemised as required for determining the income tax base,
- d) interim items used to monitor cash flows which are not as yet income or expenses in the sense of paragraphs (b) and (c).

(3) The receivables ledger shall state especially information on:

- a) debtors,
- b) cash receivables,
- c) advance payments,
- d) loan receivables,
- e) income tax receivables
- f) receivables from indirect taxes,

g) receivables from the Social Insurance Company¹⁷⁾ and the respective health insurance company¹⁹⁾.

(4) The payables ledger shall state especially information on:

- a) creditors,
- b) cash payables,
- c) advance payments,
- d) loan payables,
- e) income tax liabilities,
- f) liabilities for income tax,
- g) payables to the Social Insurance Company¹⁷⁾ and the respective health insurance company¹⁹⁾.

Section 16

The opening and closing of books of account

(1) An accounting entity that is a legal person shall always open its books of on the following dates:

- a) the date of its incorporation **except as laid down by subsection 2,**
- b) the first day of an accounting period,
- c) the date of entering into liquidation proceedings,
- d) the date that a declaration of bankruptcy or settlement takes effect,
- e) **the day following the date of winding up without liquidation.**

(2) In the event that an accounting entity is wound up without liquidation, the accounting books shall be opened by a successor accounting entity as of the day following the date of winding up without liquidation. If the successor accounting entity has not yet been incorporated, the accounting books shall be opened by the accounting entity that is being wound up.

(3) An accounting entity that is a natural person shall always open its accounting books as of the following dates:

- a) the date of commencing business or other earning activities,
- b) the first day of an accounting period,
- c) the date that a declaration of bankruptcy or settlement takes effect.

(4) An accounting entity that is a legal person shall always close its accounting books as of the following dates

- a) the date of dissolution where so provided by a separate regulation²⁰⁾,
- b) the last day of an accounting period,
- c) the date of winding up without liquidation,
- d) the day immediately preceding either the date of entering into liquidation proceedings or the date that a declaration of bankruptcy or settlement takes effect.

(5) Unless laid down otherwise by a separate law²¹⁾, an enterprise undergoing a transformation of its legal status shall not close its accounting books.

(6) An accounting entity that is a natural person shall always close its accounting books as of the following dates:

- a) the last day of an accounting period,
- b) the date of termination of business or other earning activities,
- c) the day immediately preceding the date that a declaration of bankruptcy or settlement takes effect.

(7) An accounting entity in liquidation proceedings shall close its books of account as of the date when the proceedings are concluded.

(8) An accounting entity in bankruptcy proceedings shall close its books of account as of the date when a decision on the discharge of bankruptcy takes effect.

(9) Unless laid down otherwise by this Act, the closed accounting books shall not be reopened after the financial statements have been prepared except as provided for in subsection (9).

(10) Closed books of account may be reopened before approval of the financial statements where this is necessary to ensure a true and fair view of facts subject to the bookkeeping (section (7)).

¹⁷⁾) Act no. 461/2003 Coll. on Social Insurance as amended.

¹⁹⁾) Act of the National Council of the Slovak Republic no. 273/1994 Coll. on Health Insurance and Health Insurance Funding, on the Establishment of the General Health Insurance Company and on the Establishment of Departmental, Branch, Corporate and Civic Health Insurance Companies as amended .

Act no. 280/1997 Coll. on the Joint Health Insurance Company as amended.

²⁰⁾) For example, section 12 of Act no. 147/1997 Coll. on Non-Investment Funds and consequential amendments to Act of the National Council of the Slovak Republic no. 207/1996 Coll.

²¹⁾) Section 69b of the Commercial Code as amended by Act no. 500/2001 Coll.

(11) An accounting entity that after having approved its financial statements identifies any incompatibility in its data for the preceding accounting period (section 17(9)) shall correct the data in the accounting period when the incompatibility was identified, and supply information thereof in the notes to the financial statements.

(12) An accounting entity keeping accounts in the double-entry bookkeeping system shall observe the principle that the closing balances of accounts reported in the balance sheet as of the last day of the accounting period must be identical to the opening balances of the same accounts as of the first day of the following accounting period. The same shall apply to accounts kept in the book of off-balance sheet accounts.

PART THREE Financial statements

Section 17

(1) Financial statements are structured presentations of facts representing the subject of accounting, made available to persons who use such information (in this Act referred to as "users"). Where so required by this Act, an accounting entity shall prepare financial statements whose structure corresponds to the bookkeeping system used by the accounting entity. The financial statements represent an integral whole.

(2) The financial statements shall state the following general requisites:

- a) the business name or designation of the accounting entity; a legal person shall state its registered office, and a natural person shall state his/her permanent residence and place of business if it differs from the permanent residence,
- b) the identification number of the accounting entity if one has been assigned,
- c) the legal status of the accounting entity,
- d) the balance sheet date,
- e) the date of preparation of the financial statements,
- f) the period for which the financial statements are prepared,
- g) a signature record of the statutory body or that of a member of the statutory body of the accounting entity, or a signature record of a natural person as well as a signature record of the person responsible for the preparation of the financial statements and the person responsible for bookkeeping.

(3) Financial statements in the double-entry bookkeeping system shall include the following components in addition to the general requisites specified in subsection (2):

- a) a balance sheet,
- b) a profit and loss statement,
- c) notes to the financial statements.

(4) Financial statements in the single-entry bookkeeping system shall include the following components in addition to the general requisites specified in subsection (2):

- a) an income and expenses statement,
- b) an assets and liabilities statement.

(5) An accounting entity shall prepare financial statements not later than six months before the balance sheet date, unless laid down otherwise by a separate regulation. The financial statements shall be deemed prepared when the information required under subsection (2) and the individual components of the financial statements are provided with signature records.

(6) An accounting entity shall always prepare financial statements at the time when it closes accounting books pursuant to section 16. The accounting entity shall prepare ordinary financial statements if the accounting books are to be closed as of the last day of the accounting period, and it shall prepare extraordinary financial statements in other cases specified in section 16.

(7) An accounting entity shall prepare an opening balance sheet as of the following dates:

- a) the date of its incorporation,
- b) the date of entering into liquidation proceedings,
- c) the date that a declaration of bankruptcy or settlement takes effect,
- d) **the day following the date of winding up without liquidation.**

(8) An accounting entity shall be required to ensure that its financial statements show information reflecting the state existing as of the balance sheet date; the same shall apply mutatis mutandis to all accounting entries made as of that date, unless laid down otherwise by this Act. **In so doing, the accounting entity shall also take into consideration information which relates to the state existing as of the balance sheet date and which the accounting entity has acquired by that date.**

(9) Information shown in the financial statements shall be valued in terms of significance; it must be useful to the user as well as comprehensible, comparable and reliable. Information shall be considered significant if its absence or incorrect presentation in the financial statements could influence the judgement or decision-making of the user. Information in the financial statements shall be deemed comprehensible if it meets the conditions set out in section 8(5); however, information

shall not be excluded for the sole reason that the user finds it incomprehensible. Information in the financial statements shall be deemed comparable if it meets the conditions set out in section 7(3) to (5). Information in the financial statements shall be deemed reliable if it meets the conditions set out in section 7(1), and if it is complete and timely. The completeness of information in the financial statements shall be ensured by taking into account its significance and the cost of its acquisition. Information in the financial statements shall be deemed timely if it meets the conditions set out in section 5.

(10) Apart from financial statements prepared in accordance with this Act, an accounting entity may also provide accounting records containing information compiled in accordance with the international accounting standards published by the International Accounting Standards Board in London, or with other recognised accounting principles.

(11) The gathering or requesting of information under a separate regulation shall not be regarded as preparation of financial statements²²⁾.

Section 17a

(1) In addition to the accounting entities under separate regulations^{22a)}, individual financial statements and an annual report pursuant to separate regulations^{22a)} shall also be prepared by an accounting entity that is a bank, a branch of a foreign bank, the Export-Import Bank of the Slovak Republic, a securities dealer, a branch office of a foreign securities dealer, the Investment Guarantee Fund, an asset management company, a branch office of an asset management company, an insurance company, a branch office of a foreign insurance company, a reinsurance company, a branch office of a foreign reinsurance company, the Slovak Insurers' Office, a pension asset management company, a supplementary pension insurance fund, the Deposit Protection Fund, the Stock Exchange, the Central Depository of Securities of the Slovak Republic.

(2) Subsection (1) shall also apply to an accounting entity that is not listed in subsection (1) if such an accounting entity is a company that has met, in at least two successive accounting periods, no fewer than two of the following requirements:

- a) its total assets exceeded SKK 5,000,000,000; total assets being defined as total assets ascertained from the balance sheet before adjustments by items specified in section 26(3),
- b) its net turnover exceeded SKK 5,000,000,000,
- c) the average calculated number of employees exceeded 2,000 in a particular accounting period.

(3) An accounting entity referred to in subsection (2) that has begun to prepare individual financial statements and an annual report in accordance with subsection (1) shall prepare those financial statements even if the requirements specified in subsection (2) have ceased to exist

(4) An accounting entity that is to prepare individual financial statements and an annual report according to subsection (1) shall be subject to this Act, unless laid down otherwise by a separate regulation^{22a)}.

Section 17b

The accounting entity that is the National Bank of Slovakia shall prepare individual financial statements and an annual report pursuant to a separate regulation.^{22b)} This Act shall apply to an accounting entity that is the National Bank of Slovakia, unless laid down otherwise by a separate regulation^{22b)}.

Section 18

(1) In addition to ordinary and extraordinary financial statements, an accounting entity shall also prepare interim financial statements in the course of an accounting period if so required by a special regulation¹⁴⁾. When preparing interim financial statements, the books of account shall not be closed and stocktaking shall only be carried out for purposes of valuation pursuant to section 25(2); the provisions of this Act regulating the financial statements shall apply similarly to interim financial statements.

(2) An accounting entity shall prepare interim financial statements in a full version or in a short version. Interim financial statements in the short version shall correspond to items in the full version of the financial statements.

²²⁾ Act no. 540/2001 Coll. on State Statistics

^{22a)} Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (Official Journal of the European Communities L 243 of 11 September 2002), Commission Regulation (EC) No. 1725/2003 of 29 September 2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (Official Journal of the European Communities L 261 of 13 October 2003) as amended by Commission Regulation No. 707/2004 of 6 April 2004 (Official Journal of the European Communities L 111 of 17 April 2004).

^{22b)} Protocol on the Statute of the European System of Central Banks and of the ECB, Annex No. 18 to the Treaty Establishing the European Community (Notification No. 185/2004 Coll.)

(3) A balance sheet accompanying the ordinary or extraordinary financial statements shall show information on the assets and liabilities of the accounting entity and the difference between them for the accounting period and for the immediately preceding accounting period. The balance sheet of the interim financial statements shall show such information for the relevant accounting period and for the comparable period of the immediately preceding accounting period.

(4) The profit and loss statement of the annual or extraordinary financial statements shall show expenses, revenues and profit or loss for the accounting period and for the immediately preceding accounting period. The profit and loss statement of the interim financial statements shall show such information for the relevant accounting period and for the comparable period of the immediately preceding accounting period.

(5) **The notes to the financial statements shall contain information explaining and supplementing the information contained in the balance sheet and the profit and loss statement and/or other explanatory and supplementary statements and information. The notes to the financial statements shall also contain information concerning the application of the accounting principles and accounting policies, as well as other information according to the requirements specified in this Act. In the notes to the financial statements, the accounting entity shall also provide information on events which have not been presented in other parts of the financial statements as of the balance sheet date, but whose effects materially influence the view of the accounting entity's financial position.**

Section 19 Audit of financial statements

(1) Individual financial statements must be audited if the accounting entity:

- a) is an enterprise that is required to create share capital or it is a cooperative that has fulfilled at least two of the following conditions in the year preceding the year of the audited financial statements:
1. its total assets exceeded SKK 20,000,000; total assets being defined as total assets ascertained from the balance sheet before adjustments by items specified in section 26(3),
 2. its net turnover exceeded SKK 40,000,000; net turnover being understood for this purpose as revenues from sales of own products and goods and from the provision of services,
 3. **the average calculated number of employees exceeded 20 in a particular accounting period,**
- b) is a joint-stock company²³),
- c) is subject to this requirement under a separate regulation²⁴),
- d) **should prepare its financial statements in accordance with section 17a.**

(2) The financial statements of the accounting entity under subsection (1) shall be audited **within one year from the end of the accounting period** for which they are prepared, unless laid down otherwise by a separate regulation²⁵).

(3) The obligation to have the financial statements audited shall also apply to legal persons specified by a separate regulation²⁶), whose sum annual ratio of received tax exceeds SKK 1,000,000.

Section 20 Annual report

(1) An accounting entity required to have its financial statements audited under section 19 shall be required to issue an annual report **whose compliance with the financial statements prepared for the same accounting period must be audited**, except for annual reports whose issue is required under a separate regulation²⁷). The annual report shall contain, unless laid down otherwise by a separate regulation, the financial statements for the relevant accounting period, including the auditors' report thereon and especially information on:

- a) **the development of the accounting entity, its current position and material risks and uncertainties to which the accounting entity is exposed; such information shall be provided in the form of a balanced and comprehensive analysis of the situation and development forecast and shall contain important financial and non-financial indicators, including information on the impact of the accounting entity's activities on the environment and employment, with a reference to the respective information presented in the financial statements,**
- b) the events of special importance that occurred after the end of the accounting period for which the annual report is prepared,
- c) the expected future development of the accounting entity's activities,
- d) **the costs** associated with research and development activities,
- e) **the acquisition of the accounting entity's treasury shares^{27a}),** temporary certificates, ownership interests and shares, and temporary certificates and ownership interests of a **parent accounting entity according to section 22,**
- f) the proposal for the distribution of profits or settlement of losses,

²³) Section 39 of the Commercial Code.

²⁴) For example, section 40 of Act no. 483/2001 Coll., section 34(3) of Act no. 34/2002 Coll.

²⁵) For instance, section 40 of Act no. 483/2001 Coll., section 35(4) of Act no. 34/2002 Coll.

²⁶) **Section 50 of Act no. 595/2003 Coll.**

²⁷) For example, section 39 of Act of the National Council of the Slovak Republic no. 566/1992 Coll. as amended, section 35(2) of Act no. 34/2002 Coll.

^{27a}) **Section 161d(2) of the Civil Code.**

- g) the information required by special regulations, and
- h) whether the accounting entity has a branch abroad.

(1)²⁸ (2) A separate regulation may stipulate that an annual report has a different content to that pursuant to subsection

(3) The annual report of an accounting entity under subsection (1) must give a true and fair view and its compliance with the accounting entity's financial statements must be reviewed by an auditor within one year of the end of the accounting period.

(4) Interim financial statements shall be accompanied by an interim report where required by a separate regulation¹⁴).

(5) If it is material for the assessment of total on- and off-balance sheet assets, total equity and liabilities, and the financial position of an accounting entity that uses instruments according to a separate regulation¹¹), the accounting entity is also required to provide in its annual report information on the following:

- a) the objectives and methods of risk management in the accounting entity, including its policy for ensuring the main types of planned transactions in which hedging derivatives will be used, and
- b) price risks, credit risks, liquidity risks and risks related to cash flows, to which the accounting entity is exposed.

Section 21 Publication of information

(1) An accounting entity that is an enterprise, the Export-Import Bank of the Slovak Republic, a cooperative or a state-owned company shall be required to deposit its ordinary financial statements, extraordinary financial statements and annual report in the collection of deeds of the Companies Register within 30 days of the approval of the financial statements; the financial statements may be filed as part of the annual report.

(2) The accounting entity to which the audit requirement according to section 19(1)(a), (b) and (d) applies, shall publish the balance sheet and profit and loss statement contained in its ordinary and extraordinary financial statements in the commercial bulletin within 30 days of the approval of the financial statements. The accounting entity shall at the same time state that the published financial statements are incomplete. An auditor's opinion must not be published in the commercial bulletin; only the information describing the opinion contained in the auditor's report shall be published.^{28a)} If the auditor's report contains facts which had no effect on the presentation of the auditor's opinion contained in the report, but the auditor wanted to emphasise such facts, this information must be published.

(3) An accounting entity required to prepare consolidated financial statements according to section 22 shall be required to deposit the ordinary consolidated financial statements and the extraordinary consolidated financial statements and a consolidated annual report in the collection of deeds of the Companies Register within one year of the end of an accounting period; the consolidated financial statements may be filed as part of the consolidated annual report.

(4) The accounting entity shall publish in the commercial bulletin the balance sheet and profit and loss statement contained in its ordinary and extraordinary consolidated financial statements within one year of the end of the accounting period. The accounting entity shall at the same time state that the published financial statements are incomplete. An auditor's opinion must not be published in the commercial bulletin; only the information describing the opinion contained in the auditor's report shall be published^{28a)}. If the auditor's report contains facts which had no effect on the presentation of the auditor's opinion contained in the report, but the auditor wanted to emphasise such facts, this information must be published.

(5) An accounting entity under section 17a shall at the same time publish on the Internet the complete financial statements, except for the publication of information according to subsections (2) and (3), to the same extent as they were deposited in the collection of deeds of the Companies Register under subsection (1), and it shall publish in the commercial bulletin the internet address at which the financial statements are available. The financial statements must be published in this manner for at least one year after publication.

(6) An accounting entity under section 19(1)(c) shall publish information from its financial statements in a manner stipulated by a separate regulation.²⁹⁾

(7) An accounting entity subject to the audit requirement according to section 19 may not publish any unaudited information in a manner that may mislead the user into thinking that it has been audited.

(8) An accounting entity whose activities are classified in the category of industrial production according to a separate regulation^{29a)} and whose net turnover for the immediately preceding accounting period exceeded, in

^{28a)} Article 15 par. 6 (e) of Act No. 466/2002 Coll. on Auditors and the Slovak Chamber of Auditors.

²⁹⁾ For example, Act of the National Council of the Slovak Republic no. 566/1992 Coll. as amended, section 35(4) of Act no. 34/2002 Coll.

conversion, EUR 250,000,000, shall be required to submit to the Ministry an annual report and minutes of the general meetings held in the accounting period for which the annual report is submitted and shall do so not later than 5 days after the discussion on the annual report, and not later than the end of the eighth month after the end of the accounting period for which the annual report is submitted; such an accounting entity must without undue delay also submit to the Ministry other related information if the Ministry so requests. The Ministry shall submit to the European Commission the accounting entity's annual report, and the minutes of its general meetings held in the accounting period for which the annual report is submitted, by the end of the ninth month after the end of the accounting period for which the annual report is submitted.

Section 22 Consolidated financial statements

(1) Consolidated financial statements shall be understood to mean financial statements which provide information on a consolidated group according to section 6(4). Consolidated financial statements shall be prepared in compliance with the methods and principles defined by special regulations.^{22a)}

(2) Consolidated financial statements and a consolidated annual report shall be prepared by a parent accounting entity.

(3) For the purposes of this Act, a parent accounting entity shall be defined as an accounting entity that is an enterprise, a state-owned company or a cooperative which meets the following criteria with respect to another accounting entity that is an enterprise:

- a) it controls a majority of voting rights in the accounting entity, or
- b) it has the right to appoint and recall the majority of members of the accounting entity's statutory or supervisory body and, at the same time, is a member or shareholder of the respective accounting entity, or
- c) it has the right to control the accounting entity of which it is a member or shareholder based on an agreement concluded with this accounting entity or based on a memorandum of association or articles of association of this accounting entity, if provided for by the law governing this accounting entity, or
- d) it is a member or shareholder of the accounting entity, and the majority of members of the accounting entity's statutory or supervisory body holding their office during the accounting period and the immediately preceding accounting period up to the preparation of consolidated financial statements were appointed exclusively by the exercise of voting rights by the member or shareholder that is the parent accounting entity, or
- e) it is a member or shareholder and controls a majority of voting rights under an agreement with the other members or shareholders of the respective accounting entity.

(4) An accounting entity in which a parent accounting entity has the rights mentioned in subsection (3) is a subsidiary accounting entity.

(5) When calculating the voting rights according to subsection 3(a), (b), (d) and (e), the following shall be added to the voting rights and rights to appoint and recall statutory or supervisory body members:

- a) rights controlled by another subsidiary accounting entity of the parent accounting entity,
- b) rights of a natural or legal person that acts on its own behalf but for the account of the parent accounting entity or its other subsidiary accounting entity.

(6) When calculating the voting rights according to subsection 3(a), (b), (d) and (e), those voting rights shall be subtracted that relate to shares or ownership interests which:

- a) are held for the account of an accounting entity other than the parent accounting entity or its subsidiary accounting entity, or
- b) are held as collateral, if such voting rights are exercised in line with the instructions issued by the accounting entity that provided the collateral.

(7) When calculating the voting rights according to subsection 3(a), (d) and (e), those voting rights shall be subtracted from the total voting rights of members or shareholders of the subsidiary accounting entity that relate to the shares or ownership interests held by the subsidiary accounting entity, any of its subsidiary accounting entities or a person acting on its own behalf but for the account of those accounting entities.

(8) A parent accounting entity which is a subsidiary accounting entity and whose parent accounting entity is governed by the laws of any of the European Union Member States is released from the obligation to prepare consolidated financial statements and consolidated annual report (hereinafter "the release"), provided that its parent accounting entity controls:

- a) all shares and ownership interests of the subsidiary accounting entity, or
- b) at least 90 per cent of shares or ownership interests of the subsidiary accounting entity, and other shareholders or partners of the accounting entity have agreed to such release.

^{29a)} Category D of the Annex to Decree of the Slovak Statistical Office No. 552/2002 Coll., by which the Sector Classification of Economic Activities is published.

- (9) The release according to subsection (8) may only be applied if:
- a) the subsidiary accounting entity and all its subsidiary accounting entities are incorporated into the parent accounting entity's consolidated financial statements prepared according to legislation of the European Union and the European Communities,
 - b) the consolidated financial statements of the parent accounting entity referred to in paragraph (a) and the compliance of the consolidated annual report of the parent accounting entity with the financial statements are reviewed by an auditor in accordance with legislation of the European Union and European Communities,
 - c) the consolidated financial statements of the parent accounting entity referred to in paragraph (a) and the consolidated annual report of the parent accounting entity are published in accordance with legislation of the European Union and European Communities,
 - d) in the notes to the individual financial statements, the subsidiary accounting entity states the name and the registered office of the parent accounting entity preparing the consolidated financial statements referred to in paragraph (a), and it refers to the fact that it has been released from the obligation.

(10) The obligation to prepare consolidated financial statements and an annual report in the following accounting period shall apply to the parent accounting entity if, based on the information contained in the last individual financial statements of the parent accounting entity and individual financial statements of its subsidiary accounting entities at all levels of consolidation in each of the two successive accounting periods, at least two of the following conditions were met:

- a) total assets of the parent accounting entity and subsidiary accounting entities exceeded SKK 350,000,000; total assets being defined as total assets ascertained from the balance sheet before adjustments by items specified in section 26(3),
- b) the net turnover of the parent accounting entity and subsidiary accounting entities exceeded SKK 700,000,000; net turnover being defined as revenues from the sales of products and goods and from the provision of services,
- c) the average calculated number of employees of the parent accounting entity and subsidiary accounting entities exceeded 250 during the accounting period.

(11) Subsection (9) shall not apply to an accounting entity preparing financial statements according to section 17a.

(12) Consolidated financial statements must be audited by an auditor.

(13) The parent accounting entity shall be required to give the subsidiary accounting entities and other accounting entities incorporated into the consolidated financial statements timely notice of its obligation to prepare consolidated financial statements.

(14) The subsidiary accounting entities and other accounting entities incorporated into the consolidated financial statements shall be required to provide the parent accounting entity, in good time, with their individual financial statements and information required for the preparation of the consolidated financial statements.

(15) The provisions of section 20 shall apply mutatis mutandis to a consolidated annual report. If an accounting entity is required to prepare individual financial statements and consolidated financial statements, information from the individual annual report and the consolidated annual report may be incorporated into a single annual report.

(16) Subsections (1) to (15) shall accordingly apply to the preparation of extraordinary consolidated financial statements and interim consolidated financial statements.

PART FOUR Valuation methods

Section 24

(1) An accounting entity shall value assets and liabilities as of the valuation date, namely:

- a) the accounting transaction date, by methodologies specified in section 25,
- b) as of the balance sheet date, by methodologies specified in section 27,
- c) as of another date in the accounting period by methodologies specified in section 27, if so required by a separate regulation³³).

(2) Unless laid down otherwise by this Act, an accounting entity shall translate assets and liabilities denominated in a foreign currency into the Slovak currency according to the exchange rate announced by the National

³³) For example, Act no. 483/2001 Coll., Act no. 566/2001 Coll., Act no. 385/1999 Coll. as amended

Bank of Slovakia which is applicable as of the accounting transaction date, as of the balance sheet date, and as of another date if so required by a separate regulation.³⁴⁾

(3) An accounting entity purchasing or selling a foreign currency in exchange for Slovak currency shall use the exchange rate at which the corresponding values have been purchased or sold .

(4) If cash is transferred from an account opened in a foreign currency to an account opened in the Slovak currency and from an account opened in the Slovak currency to an account opened in a foreign currency, the exchange rate specified in subsection (3) shall be used.

(5) The provisions of this Act concerning the valuation of assets and liabilities shall apply mutatis mutandis to the valuation of off-balance sheet assets and off-balance sheet liabilities.

Section 25

(1) Individual assets and liabilities shall be valued:

- a) at acquisition cost where they are
 - 1. tangible assets other than those created by own activities,
 - 2. inventory other than that created by own activities,
 - 3. interests in the share capital of enterprises, securities, or derivatives,
 - 4. receivables acquired against payment, or receivables acquired by contribution³⁵⁾ to share capital,
 - 5. intangible assets other than those created by own activities,
 - 6. assumed liabilities,
- b) at conversion cost where they are
 - 1. tangible assets created by own activities,
 - 2. inventory created by own activities,
 - 3. intangible assets created by own activities,
 - 4. livestock breeding and increments,
- c) at nominal value where they are
 - 1. cash, stamps and vouchers,
 - 2. receivables at inception,
 - 3. payables at inception,
- d) at replacement cost where they are
 - 1. assets acquired free of charge except for cash, stamps and vouchers and receivables valued at nominal value,
 - 2. intangible assets created by own activities if the conversion cost cannot be determined,
 - 3. livestock breeding and increments if the conversion cost cannot be determined,
 - 4. assets converted from personal to corporate ownership except for cash, stamps and vouchers and receivables valued at nominal value,
 - 5. intangible and tangible assets newly identified in the inventory and not yet recorded,
- e) **at their fair value under section 27(2): assets and liabilities acquired by the contribution or purchase of an enterprise or a part thereof.**

(2) As of the balance sheet date, an accounting entity shall take into account the expected risks and losses which relate to its assets and liabilities and which are known as of the date of preparation of the financial statements. A reduction in value shall be taken into account regardless of whether a profit or loss is reported for the accounting period.

(3) Provided that it complies with the true and fair view requirement laid down in section 7(1), and that the assets consist of identical types of inventory, identical types of securities in the portfolio of the accounting entity, and cash denominated in the same foreign currency in the treasury of the accounting entity, then the disposal value based on the weighted average principle may be considered to be in compliance with subsection (1) where the initial price used for the valuation of an increase in the respective type of asset is used as the first price for the valuation of the disposal of this asset. Identical types of securities may be valued by applying the above valuation method only if they have been issued by the same issuer and in the same currency.

(4) For the purposes of this Act,

- a) acquisition cost means the price at which the assets are acquired, including costs related to their acquisition,
- b) replacement cost means the price at which the an asset would be acquired at the time it is recorded,
- c) conversion cost means,
 - 1. for inventories created by own activities: the direct costs of production or other activities, as well as indirect costs proportionally related to such production or other activities,
 - 2. for tangible assets other than inventories and for intangible assets other than receivables: the direct costs of production or other activities, and the indirect costs related to such production or other activities,
- d) nominal value means the value stated on cash, stamps and vouchers, or the sum shown for a receivable or payable.

³⁴⁾ For example, Act no. 483/2001 Coll., Act no. 566/2001 Coll.

³⁵⁾ Section 59 of the Civil Code as amended by Act no. 500/2001 Coll.

Section 26

(1) If during stocktaking it is established that the selling price of inventory less sales costs is lower than the price used for its book value, then the inventory shall be recorded at the lower value in the accounts and in the financial statements.

(2) If during stocktaking it is established that the sum of liabilities differs from the book value, then the liabilities shall be recorded in the accounts and in the financial statements at the sum so established.

(3) Expected risks, losses and a reduction in value (section 25(2)) related to assets and liabilities shall be expressed in the form of reserves, provisions and depreciation. Reserves shall include payables with unspecified maturity or amount. Provisions shall be created for assets of a temporarily reduced value, and shall be dissolved upon expiry of the risk for which they were created. Depreciation of assets represents a permanent reduction in their value.

(4) For the purposes of this Act, damage shall be understood as irreparable damage to or destruction of an asset.

(5) Subsections (1) to (3) shall not be applicable to accounting entities keeping accounts in the single-entry bookkeeping system, except for depreciation of assets **and the creation of provisions specified in a separate regulation** ^{35a)}.

(6) An accounting entity that is not established for business purposes shall create reserves and provisions in accordance with a separate regulation ³⁶⁾.

(7) Subparagraphs (1) to (3) shall also apply to accounting entities established under a separate regulation ³⁷⁾.

Section 27

- (1) Individual assets and liabilities shall be valued as of the valuation date pursuant to section 24(1)(b) or (c):
- securities: by market price or qualified estimate except for securities held until maturity, non-negotiable securities acquired in primary issues, interest in share capital of enterprises **of which the accounting entity is a parent accounting entity or in which the accounting entity has a decisive influence, understood to be a share of least 20 per cent of the voting rights**, and securities issued by the accounting entity itself,
 - derivatives: by market price or qualified estimate,
 - financial allocations: by an expert opinion; technical provisions of accounting entities that are insurance companies and reinsurance companies under separate regulations ¹²⁾; by a qualified estimate, enterprises or cooperatives being wound up without liquidation ³⁸⁾; by market price, qualified estimate, or expert opinion, or in another case according to a separate regulations ³⁹⁾,
 - hedging derivatives: by market price or qualified estimate.

(2) For the purposes of this Act, a fair value shall be understood as

- the market price,
- a valuation by a qualified estimate or an expert opinion if the market price is not available or does not accurately express the fair value,
- a valuation laid down by a separate regulation ³⁹⁾, if it is not possible to proceed according to paragraph (a) and (b).

(3) The market price shall be deemed the price declared on a domestic or foreign stock exchange or on a different public market. For valuation purposes according to this Act, an accounting entity shall use the price declared not later than on the valuation date pursuant to section 24(1)(b) or (c).

(4) The market price of assets quoted on a domestic stock exchange shall be the closing price declared by the stock exchange on the business day on which the valuation is made.

(5) The market price of assets not listed on a domestic stock exchange but quoted on a foreign stock exchange shall be understood to mean the highest of the closing prices achieved on the approved markets of such foreign stock exchanges on the business day on which the valuation is made. For assets tradable on a public market other than the stock exchange, the market price shall be the highest current price on the day on which the valuation is made. If the mentioned markets are not open

^{35a)} **Section 20 (9)(b) and (d) of Act no. 595/2003 Coll.**

³⁶⁾ **Section 20 of Act no. 595/2003 Coll.**

³⁷⁾ Act of the National Council of the Slovak Republic no. 273/1994 Coll. as amended.

Act of the National Council of the Slovak Republic no. 274/1994 Coll. as amended.

Act of the National Council of the Slovak Republic no. 387/1996 Coll. as amended.

Act No. 280/1997 Coll. as amended.

Act of the National Council of the Slovak Republic no. 566/1992 Coll. as amended.

Act of the National Council of the Slovak Republic no. 118/1996 Coll. on Deposit Protection and consequential amendments, as amended

Act No. 381/2001 Coll.

³⁸⁾ The Commercial Code as subsequently amended.

³⁹⁾ **Section 95 of Act No. 594/2003 Coll. on Collective Investments and consequential amendments.**

for business on the date of valuation, the price used for valuation shall be the price declared on such markets on the last business day immediately preceding the date of valuation.

(6) If the market price cannot be reliably determined, the fair value shall be determined by a qualified estimate representing the sum of all future expenses or revenues, while using the interest rate most frequently appearing for a similar instrument of the issuer⁴¹⁾ that is subject to analogous valuation, or an interest rate that reduces the nominal value of that instrument by the interest discount to the price at which the instrument would be sold.

(7) In cases not mentioned in subsection (6), the qualified estimate shall also be understood to mean another professional estimate.

(8) When making a valuation by fair value, an accounting entity shall proceed appropriately in accordance with section 25(2).

(9) If the fair value as of the valuation date cannot be reliably determined, the fair value shall be deemed the valuation made by applying the valuation methods under section 25. Regarding securities held until maturity and non-negotiable securities acquired in primary issues, their valuation shall be gradually increased by the interest yield accrued from the date of payment of the purchase price until the maturity date. Interests in the share capital of enterprises **of which the accounting entity is a parent accounting entity or in which the accounting entity has a decisive influence** may be valued by applying the equity method. Once this valuation method has been applied, the accounting entity shall be bound to use such a method in the valuation of all such interests. Regarding securities issued by the accounting entity itself, their valuation shall be gradually increased by interest costs accrued from the date of payment of the issue price until the maturity date.

Section 28

(1) An accounting entity shall depreciate both non-inventory tangible assets and intangible assets other than receivables in accordance with accounting principles and accounting policies, unless laid down otherwise by this Act or by a separate regulation.⁴⁰⁾ Regarding a loan agreement⁴¹⁾ during the period where the payable is secured by a transfer of title⁴²⁾ or regarding the acquisition of title to movable assets other than by takeover of the assets⁴³⁾, as well as other cases laid down by separate regulations, the assets shall be recorded and depreciated by the accounting entity which uses them.

(2) Land, objects made of precious metals and other assets specified in a special regulation⁴⁴⁾ shall not be depreciated.

(3) The accounting entity referred to in subsection (1) shall be obliged to prepare a depreciation schedule and to depreciate assets on the basis thereof. The assets shall only be depreciated to the level of their book values.

(4) An accounting entity shall depreciate tangible assets other than inventory according to wear and tear that corresponds to the normal conditions of their use. The accounting entity must depreciate intangible assets – comprising goodwill, capitalised incorporation expenses and development costs – within five years of their acquisition. Negative goodwill must be depreciated by the accounting entity within five years of its acquisition. If the incorporation expenses and development costs have not been fully depreciated, the accounting entity may pay out dividends, shares and directors' bonuses only if the total profit or loss and funds created from profit designated for paying out exceeds the total amount of undepreciated incorporation expenses and development costs. Intangible assets created by own activities shall not be capitalised except for incorporation expenses and software and development costs, which shall be capitalised in compliance with the accounting procedures.

PART FIVE

Stocktaking

Section 29

(1) An accounting entity shall carry out stocktaking in order to verify whether the book state of assets and liabilities and the difference between assets and liabilities correspond to the actual situation.

⁴⁰⁾ For instance, Act of the National Council of the Slovak Republic no. 303/1995 Coll. as amended.

⁴¹⁾ Section 659 of the Civil Code as amended by Act no. 509/1991 Coll.

⁴²⁾ Section 553 of the Civil Code as amended by Act no. 509/1991 Coll.

⁴³⁾ Section 133 of the Civil Code as amended by Act no. 509/1991 Coll.

⁴⁴⁾ For example: Act no. 115/1998 Coll. on Museums and Galleries and on the Protection of Museum-Value and Gallery-Value Objects as amended; Act No. 183/2000 Coll. on Libraries and consequential amendments to Act of the Slovak National Council no. 27/1987 Coll. on State Care for Historical Monuments, and consequential amendments to Act no. 68/1997 Coll. on Matica slovenská, as amended by Act no. 416/2001 Coll.; Act no. 40/1961 Coll. on the Defence of the Czechoslovak Socialist Republic as amended; Act no. 383/1997 Coll. (Copyright Act); and the Act consequentially amending the Customs Act as amended by Act No. 234/2000 Coll.; Act of the National Council of the Slovak Republic No. 273/1994 Coll. as amended.

(2) An accounting entity shall perform stocktaking as of the balance sheet date for ordinary or extraordinary financial statements. If interim financial statements need to be prepared, the accounting entity shall perform stocktaking only for valuation purposes as laid down in section 25(2). This is without prejudice to provisions regarding the performance of stocktaking under special regulations⁴⁵).

(3) Regarding tangible assets other than inventory and cash, an accounting entity may take stock within a period of time other than that set out in subsection (2), though not exceeding two years. The accounting entity shall take stock of cash at least four times during the accounting period.

Section 30

(1) Stocktaking shall be performed in order to establish the actual state of assets and liabilities and the difference between assets and liabilities. The actual state of tangible and intangible assets shall be established by physical stocktaking; for liabilities, the difference between assets and liabilities, and those assets whose physical stocktaking is impracticable, the actual state shall be established by documentary reconciliation; where possible, a combination of physical stocktaking and documentary reconciliation shall be used.

(2) An inventory list is an accounting record that ensures the verifiability of the bookkeeping (section 8(4)). The inventory list must state the following information:

- a) the business name or designation of an accounting entity; a legal person shall state its registered office, and a natural person shall state his/her permanent residence and place of business if it differs from the permanent residence,
- b) the stocktaking opening date, date for which the stocktaking was performed, and the stocktaking closing date,
- c) the state of assets, with quantity units and prices indicated according to section 25,
- d) the place of storage of assets,
- e) the name, surname and signature record of the person materially responsible for the respective type of asset,
- f) a list of the liabilities and their valuation according to section 25,
- g) a list of the actual state of the difference between assets and liabilities,
- h) recommendations for assessing the reality of a valuation of assets and liabilities as of the balance sheet date, ascertained in the course of stocktaking in order to adjust the valuation of assets and liabilities pursuant to sections 26 and 27, where such facts are known to the persons who performed the stocktaking,
- i) the name, surname and signature record of the persons responsible for establishing the actual state of assets and liabilities and the difference between assets and liabilities,
- j) notes to the financial statements.

(3) The state of assets and liabilities and the difference between assets and liabilities in the inventory lists shall be compared to the state of assets and liabilities and the difference between assets and liabilities in the accounts, and the results of the comparison shall be entered in a stocktaking report. The stocktaking report is an accounting record which proves the objective correctness of accounting and which must state

- a) the business name or designation of an accounting entity; a legal person shall state its registered office, and a natural person shall state his/her permanent residence and place of business if it differs from the permanent residence,
- b) the results of the comparison of the actual state of assets and liabilities and the difference between assets and liabilities as stated in the accounts,
- c) the results arising from the assessment of the reality of a valuation of assets and liabilities pursuant to sections 26 and 27,
- d) the name, surname and signature record of persons responsible for stocktaking at the accounting entity.

(4) The physical stocktaking of **non-inventory** tangible assets which cannot be performed as of the balance sheet date may be carried out during the last three months of the accounting period or in the first month of the next accounting period. The physical stocktaking may be performed by an accounting entity at any time during the accounting period. Such stocktaking must demonstrate the state of tangible assets as of the balance sheet date by using information from the physical stocktaking which is adjusted by additions to and disposals of the mentioned assets during the period from the end of the physical stocktaking until the end of the accounting period, or from the beginning of the next accounting period until the end of the physical stocktaking in the first month of the next accounting period.

(5) A stocktaking difference may take one of the two following forms:

- a) a shortage, where the actual state identified is lower than the book value, and it cannot be substantiated by any accounting record; if involving cash, stamps and vouchers, it is referred to a deficit,
- b) a surplus, where the actual state identified is higher than the book value, and it cannot be substantiated by any accounting record.

(6) Differences resulting from valuation adjustments made pursuant to sections 26 and 27 shall not be regarded as stocktaking differences.

(7) The accounting entity shall record stocktaking differences under the accounting period for which the state of assets and liabilities and the difference between assets and liabilities were verified by the stocktaking.

⁴⁵) Section 184 of the Labour Code.

PART SIX
Accounting documentation

Section 31
Accounting record

(1) The accounting documentation of an accounting entity comprises all the accounting records created according to section 4, paragraph 4.

(2) For the purposes of this Act, an accounting record shall be deemed to be:

- a) in a written form where it is made out in handwriting, by typewriter, by printing or reprographic techniques, or by a computer printer device in a format readable for a natural person,
- b) in a technical form where it is made out by electronic, optical or other methods not specified in paragraph (a), such that allow for its conversion into a written form; the conversion into a written form shall not be required for signature records according to section 32(3).

(3) An accounting entity may convert accounting records from one form into another. In that case, the accounting entity shall ensure that the contents of the records in the original form and those of the records in the converted form are identical. This obligation shall be considered to have been fulfilled if the accounting entity submits the accounting record with identical contents in its original and converted form or demonstrate such fulfilment by another method not disputed by any of the persons using the record in their work. The accounting entity shall be required to have available the accounting records that evidence the form of bookkeeping.

(4) All forms of accounting records are equivalent, and the contents of all accounting records have identical consequences if made out in any of the forms specified in subsection (2).

(5) An accounting entity keeping accounting records in a technical form must have at its disposal such equipment, carriers and devices that enable their conversion into a form readable for a natural person. For the requirements of auditing financial statements (section 19), their publication (section 21), and the requirements of bodies mentioned in section 38, the accounting entity shall upon request enable authorised persons to familiarise themselves with the content of those accounting records that such persons select. The accounting entity shall be under this obligation for so long as, and to the extent that, it is required to maintain or archive the said accounting records.

Section 32
Verifiability of accounting records

(1) For the purposes of this Act, an accounting record shall be deemed verifying only where:

- a) its contents directly evidence the relevant fact,
- b) its contents indirectly evidence the relevant fact through the contents of other verifying accounting records,
- c) it is an accounting record transferred pursuant to section 33 and it meets the conditions of paragraph (a) or paragraph (b).

(2) An accounting record transferred outside an accounting entity through an information system shall be deemed verifying if the transfer is conducted in accordance with section 33. Any accounting record to be transferred must contain a signature record. The accounting record shall be signed not later than the time of its delivery for transfer.

(3) A signature record shall be understood to mean an accounting record signed by hand or a similar verifying accounting record that replaces the handwritten signature in a technical form. Both forms of signature record shall be deemed of equal validity and both may be used wherever a handwritten signature is required.

(4) Several signature records may be attached to a single accounting record.

Section 33
Transfer of accounting records

When transferring accounting records, an accounting entity shall ensure their protection against misuse, damage, destruction, unauthorised interference and unauthorised access.

Section 34
Correction of accounting records

(1) Where an accounting entity ascertains that any of the accounting records in its bookkeeping is incomplete, unverifiable, inaccurate, or incomprehensible, the accounting entity shall ensure the correction thereof without undue delay in the manner specified in subsection (2).

(2) The correction shall be carried out in such a way that it is possible to identify the person who carried it out, the date of correction, and the contents of the accounting record before and after correction. A correction made in an accounting

record shall not result in incompleteness, unverifiability, inaccuracy, incomprehensibility or a lack of transparency in the bookkeeping.

(3) For any correction to an accounting entry, it is required to make out an accounting document.

(4) The date of an accounting record shall be recorded with such accuracy that any uncertainty in the designation of the time does not give rise to uncertainty in the designation of the contents of the accounting transactions.

(5) An accounting record that is illegible or cannot be converted into a readable form shall be not be deemed an accounting record kept by the accounting entity.

Section 35

Archiving and protecting accounting documentation

(1) An accounting entity shall ensure that accounting documentation is protected against loss, destruction or damage. The accounting entity shall also ensure the protection of related technical equipment, information carriers and software against misuse, damage, destruction, unauthorised interference, unauthorised access, loss or appropriation.

(2) The accounting entity shall keep its accounting documentation in archives for the period stipulated in **subsection (3)**. The disposal of accounting documentation is subject to the general regulations on archiving.

(3) Accounting records shall be archived as follows:

- a) financial statements and annual reports shall be archived for ten years following the year to which they pertain,
- b) accounting documents, books of account, lists of books of account, lists of numerical codes or of other symbols and acronyms used in bookkeeping, a depreciation schedule, inventory lists, stocktaking reports and the accounting schedule shall be archived for five years following the year to which they pertain,
- c) accounting records which contain information relating to the method of bookkeeping and which the accounting entity uses to evidence the form of bookkeeping (section 31(2)) shall be archived for five years following the year in which they were last used,
- d) other accounting records shall be archived for a period of time set out in the accounting entity's archiving plan so that there is no violation of other provisions of this Act and separate regulations legislation.

(4) An accounting entity prior to its dissolution, or prior to the termination of its business or other earning activities, shall ensure that its accounting records are archived.

Section 36

Other provisions on accounting documentation

(1) Regarding accounting records relating to ongoing tax proceedings, administrative proceedings, criminal proceedings, civil court proceedings or other proceedings, an accounting entity shall keep them until the end of the accounting period following the accounting period in which the deadline for their examination expired.

(2) An accounting entity may use as accounting records also payroll sheets, tax documents or other documentation arising from separate regulations. Such use of documentation must meet the requirements of this Act applying to accounting records. The accounting entity shall keep such documentation for the period stipulated in section 35(3), depending on the function of the documentation in the bookkeeping.

(3) Accounting documents and other accounting records relating to warranty periods and complaint procedures shall be kept by an accounting entity for the duration of the warranty periods or complaint procedures; accounting records relating to uncollected receivables or outstanding payables shall be kept until the end of the accounting period following the accounting period in which they were collected or paid.

(4) Regarding books of analytical records for receivables, books of analytical records for payables, accounting documents and other accounting records arising directly from foreign relations before 1 January 1949, as well as financial statements relating to the transfer of property to other legal or natural persons conducted under a separate regulation⁴⁶⁾, the accounting entity shall keep them until consent for their disposal is given by the Ministry either at its own initiative or at the request of the accounting entity.

Section 37

(1) The Ministry may for the following entities lay down different details for the content of asset items and their reporting in the financial statements on grounds of their special character:

- a) the Armed Forces of the Slovak Republic, in cooperation with the Ministry of Defence of the Slovak Republic, the Ministry of Interior of the Slovak Republic and the Ministry of Transport, Posts and Telecommunications of the Slovak Republic,

⁴⁶⁾ Act no. 92/1991 Coll. on the Conditions of Transfer of State Property to Other Persons as amended.

- b) the armed security corps, in cooperation with the Ministry of Interior of the Slovak Republic and the Ministry of Transport, Posts and Telecommunications of the Slovak Republic,
- c) the Prison and Court Guard Corps, in cooperation with the Ministry of Justice of the Slovak Republic,
- d) the Slovak Intelligence Service,
- e) the State Material Reserves Administration

(2) The decree referred to in section (4)(2), setting out the accounting procedures and the framework chart of accounts for banks⁴⁷⁾, branches of foreign banks⁴⁷⁾, the National Bank of Slovakia and the Deposit Protection Fund, shall be issued by the Ministry upon consultation with the National Bank of Slovakia.

PART SEVEN Final provisions

Section 38

(1) For a violation of the provisions of this Act, with the exceptions mentioned in subsection (2), the tax authority may impose a fine of up to 1 per cent of the total amount of assets:

- a) ascertained from the balance sheet **prepared** for the inspected accounting period of an accounting entity keeping accounts in the double-entry bookkeeping system, without valuation adjustments made to items under section 26(3),
- b) reported in the statement of assets and liabilities prepared for the inspected accounting period of an accounting entity keeping accounts in the single-entry bookkeeping system,
- c) ascertained from the consolidated balance sheet prepared for the inspected accounting period of an accounting entity preparing consolidated financial statements, **with valuation adjustments** made to items pursuant to section 26(3).

(2) For a breach of the obligations laid down in section 4(1), section 6, section 7(1), section 8(1), section 17(3) and (4), section **17a**, section 19, section 20, section 21, section 22(1), (2), (3), (6), (7) and (8), and section 24, the tax authority may impose a fine of up to 3 per cent of the total amount of assets

- a) ascertained from the balance sheet **prepared** for the inspected accounting period of an accounting entity keeping accounts in the double entry bookkeeping system, without valuation adjustments made to items pursuant to section 26(3),
- b) reported in the statement of assets and liabilities prepared for the inspected accounting period of an accounting entity keeping accounts in the single-entry bookkeeping system,
- c) ascertained from the consolidated balance sheet prepared for the inspected accounting period of an accounting entity preparing consolidated financial statements, **with valuation adjustments** made to items pursuant to section 26(3).

(3) The keeping of accounts and reporting which is in compliance with separate regulations^{22a)} shall not be considered a violation of the obligations laid down by this Act.

(4) For the purposes under subsections (1) and (2), the tax authority may conduct an inspection of compliance with the provisions of this Act at the accounting entity. The performance of the **tax inspection** shall apply mutatis mutandis the provisions laid down by a separate regulation^{47a)}.

(5) When imposing a fine under **subsections (1), (2), and (7)**, the tax authority shall take account of, in particular, the gravity, manner and duration of the unlawful conduct, the consequences of the breach of obligations, the circumstances of the breach, as well as any aggrandisement arising from the violation.

(6) A fine may be imposed repeatedly for the same breach of obligations in the same accounting period only where the accounting entity failed to remedy the breach by the set deadline.

(7) If the total sum of assets or aggregate assets **under subsections (1) and (2)** cannot be ascertained, the inspecting authorities shall set the fine by qualified estimate at **up to SKK 100,000,000**.

(8) A fine pursuant to subsection (1) may be imposed within one year from the date when the body imposing it found out about the breach of obligation, but not later than three years from termination of the accounting period in which the breach occurred.

(9) A fine is a state budget revenue item. Fine imposition proceedings shall be subject to **a separate regulation**.^{47a)}

Section 38a

A tax authority finding a violation of accounting regulations that applied until 1 January 2003 may impose a fine of up to SKK 1,000,000, provided that the violation has resulted in incomplete, unverifiable or incorrect accounting.

⁴⁷⁾ Section 2(1) and (8) of Act no. 483/2001 Coll.

^{47a)} Act of the Slovak National Council no. 511/1992 Coll. on Administration of Taxes and Fees and on Changes in the System of Regional Financial Authorities.

Section 39

A deadline for archiving accounting documents and records that has not expired when this Act enters into force shall continue to apply according to the previously valid legislation.

Section 39b

- (1) **First consolidated financial statements in accordance with this Act shall be prepared for the first accounting period beginning not earlier than 1 January 2005.**
- (2) **First individual financial statements in accordance with section 17a shall be prepared for the first accounting period beginning not earlier than 1 January 2006; until that date, section 38 (3) shall not apply to accounting entities.**
- (3) **The National Bank of Slovakia shall prepare first financial statements in accordance with section 17b for the first accounting period beginning not earlier than 1 January 2006.**
- (4) **The current legislation shall apply to proceedings commenced prior to 1 January 2005.**

Section 39c

This Act transposes the legislation of the European Communities and the European Union which is set out in the Schedule.

Section 40

This Act repeals:

Act no. 563/1991 Coll. on Accounting as amended by Act of the National Council of the Slovak Republic no. 272/1996 Coll., Act no. 173/1998 Coll., Act no. 336/1999 Coll., Act no. 387/2001 Coll., Act no. 483/2001 Coll. and Act no. 247/2002 Coll.

Section 41

This Act (*no. 431/2002 Coll.*) shall enter into force on 1 January 2003 except for section 3(4) to (7), which shall enter into force on 1 January 2004.

This Act (*no. 562/2003 Coll.*) shall enter into force on 1 January 2004 except for paragraphs (1), (2) and (6), which shall enter into force on 1 January 2005.

This Act (*No. 561/2004 Coll.*) shall enter into force on 1 January 2005 except for article I (27), which shall enter into force on 1 January 2006.

President of the Slovak Republic

President of the National Council of the Slovak Republic

Prime Minister of the Slovak Republic

Schedule to Act no. 431/2002 Coll.

as amended

LIST OF TRANSPOSED LEGISLATION OF THE EUROPEAN COMMUNITIES AND THE EUROPEAN UNION

This Act transposes the following legal acts:

1. **Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies (Official Journal of the European Communities 14.08.1978 L 222) as**

amended by Council Directive 83/349/EEC of 13 June 1983 (Official Journal of the European Communities 18.07.1983 L 193), as amended by Council Directive 84/569/EEC of 27 November 1984 (Official Journal of the European Communities 4.12.1984 L 314), as amended by Council Directive 89/666/EEC of 21 December 1989 (Official Journal of the European Communities 30.12.1989 L 395), as amended by Council Directive 90/604/EEC of 8 November 1990 (Official Journal of the European Communities 16.11.1990, L 317), Council Directive 90/605/EEC of 8 November 1990 (Official Journal of the European Communities 16.11.1990 L 317), Council Directive 94/8/EC of 21 March 1994 (Official Journal of the European Communities 25.03.1994 L 82), Council Directive 1999/60/EC of 17 June 1999 (Official Journal of the European Communities 26.06.1999 L 162), as amended by Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 (Official Journal of the European Communities 27.10.2001 L 283), as amended by Directive 2003/38/EC of the European Parliament and of the Council of 13 May 2003 (Official Journal of the European Union 15.05.2003 L 120) and as amended by Directive 2003/51/EC of the European Parliament and the Council of 18 June 2003 (Official Journal of the European Communities 8.09.2003, L 178).

2. Seventh Council Directive 83/349/EEC of 13 June 1983 based on Article 54 (3) (g) of the Treaty on consolidated accounts (Official Journal of the European Communities 18.07.1983 L 193) as amended by Council Directive 89/666/EEC of 21 December 1989 (Official Journal of the European Communities 30.12.1989, L 395), as amended by Council Directive 90/604/EEC of 8 November 1990 (Official Journal of the European Communities 16.11.1990 L 317), as amended by Council Directive 90/605/EEC of 8 November 1990 (Official Journal of the European Communities 16.11.1990 L 317), Directive 2001/65 EC of the European Parliament and of the Council of 27 September 2001 (Official Journal of the European Communities 27.10.2001 L 283) and Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 (Official Journal of the European Union 17. 07. 2003 L 178).
3. Council Directive 86/635/EC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (Official Journal of the European Communities 31.12.1986 L 372) as amended by Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 (Official Journal of the European Communities 27.10.2001 L 283) as amended by Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 (Official Journal of the European Union 17.07.2003 L 178).
4. Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings (Official Journal of the European Communities 31.12.1991 L 374) as amended by Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 (Official Journal of the European Union 17. 07. 2003, L 178).

Note: Those provisions which amend and supplement Act no. 431/2002 Coll. as amended by Act no. 561/2004 Coll., which was adopted by the National Council of the Slovak Republic on 9 September 2004, have been highlighted in bold and shall enter into force as of 1 January 2005, except for sections 17a and 17b, which shall enter into force as of 1 January 2006.