

A large, abstract graphic of a network or sphere made of interconnected blue nodes and lines, positioned in the upper right and center of the page. The nodes are 3D cubes, and the lines are thin, glowing blue tubes.

Slovakia

Accounting

FUNDS AND FUND MANAGEMENT 2009

Please note that information in this survey address general matters of fund management in the Slovak Republic and should not be regarded as a basis for decision-making in specific circumstances.

1.1 Requirement to produce financial statements

Requirement to maintain the books and records in the local jurisdiction

The books have to be prepared in accordance with Slovak regulations.

An amendment to the Slovak accounting legislation entered into force on 1 January 2005. Under this amendment, the consolidated financial statements of investment company have to be prepared under International Financial Reporting Standards as adopted by the European Union from 2005 onwards and individual financial statements from 2006 onwards.

Production of financial statements by collective investment funds

According to Act No. 594/2003 Coll. on collective investment as amended, an investment company must prepare separate accounts for itself and for each mutual fund under its administration. The financial statements of both the investment company and the mutual funds must be audited by an auditor.

According to Act No. 431/2002 on accounting as amended (hereinafter Accounting Act), the accounting period for the investment company and mutual funds is the calendar year. However, the Slovak law permits to follow the financial year if more convenient for the company (please see comments below).

The investment company is responsible for the preparation of the financial statements.

According to the Accounting Act, the financial statements have to be signed by the statutory representative, the person in charge of accounting and the person who prepared the financial statements.

Choice of period/year-end for collective investment funds

In general, under the Accounting Act, the accounting period is the calendar year. However, the accounting period may be changed to financial year (any period of 12 consecutive months, other than the calendar year), subject to written announcement to the tax authorities.

Requirement for comparatives

Comparatives are required. Corresponding figures for the previous financial year are required by law.

Restrictions on the currency under which financial statements must be prepared

According to the Accounting Act, information in the financial statements has to be prepared in the Slovak currency until 31 December 2008. From 1 January 2009, the information has to be prepared in Euro.

Accounting publications specific to the funds industry (as issued by accounting bodies or the regulators)

Accounting principles stipulated in Provision nr. 25835/2007-74 issued by the Ministry of Finance shall apply for funds.

Use of short form accounts

Legislation does not provide for short form accounts.

1.2 Requirement to audit financial statements

Annual financial statements must be audited.

The audit has to be performed by an independent auditor, registered by the Chamber of Auditors.

There is no requirement to audit interim financial statements.

1.3 Publication of financial statements

Investment companies have to file the financial statements with the public collection of documents held by the commercial register.

The investment company publishes semiannual reports and yearly reports separately for itself and for funds under its administration. These reports

contain recent financial statements and have to be published in economic newspapers.

The reports have to be filed with the National Bank of Slovakia and the investment company/fund's custodian.

1.4 Accounting standards

Slovak accounting standards are obligatory. Investment companies are obliged to prepare financial statements according to IFRS as adopted by the European Union from 2005 onwards and individual financial statements from 2006 onwards.

1.5 Contents of financial statements

Requirements for inclusion in annual financial statements:

	Required by law	
	Investment company	Funds
A statement which includes all income less expenses plus realized and unrealized gains and losses	According to IFRS as adopted by EU	Yes
A statement which only includes income less expenses	According to IFRS as adopted by EU	No
A statement which only includes income less expenses plus realized gains and losses	According to IFRS as adopted by EU	No
Statement of changes in net assets	According to IFRS as adopted by EU	Yes
Statement of changes in equity	According to IFRS as adopted by EU	N/A
Cash flow statement	According to IFRS as adopted by EU	Yes
Statement of accounting policies	According to IFRS as adopted by EU	Yes
3-year net asset value table	N/A	No
5-year asset value table	N/A	No

1.6 Accounting treatments and disclosures

The following items must be included in annual financial statements:

	Required by law	
	Investment company	Funds
Futures are shown on the balance sheet using the grossed up notional amount	According to IFRS as adopted by EU	No
Futures are shown on the balance sheet based on the margin outstanding	According to IFRS as adopted by EU	Yes
Futures are shown on the balance sheet based on the margin outstanding and the margin paid to date	According to IFRS as adopted by EU	No
Organization costs are written off immediately	According to IFRS as adopted by EU	N/A
Organization costs are amortized over one year	According to IFRS as adopted by EU	N/A
Organization costs are amortized over more than one year	According to IFRS as adopted by EU	N/A
Holdings in other mutual funds are consolidated if the fund holds > 50% of the underlying mutual fund's shares	Prohibited	Prohibited
Methods used in financial statements presentation to measure listed investments are:		
Cost	IFRS as adopted by EU	No
Market value:		
bid	IFRS as adopted by EU	No
mid	IFRS as adopted by EU	No
offer	IFRS as adopted by EU	Yes
close	IFRS as adopted by EU	Yes
price at any time during the day	IFRS as adopted by EU	No
The financial statements distinguish	IFRS as	Yes

Required by law	
between income and capital	adopted by EU

Appendix

Reference material

The following details the relevant laws and regulations for collective investment funds and fund management companies and provides web addresses (in certain instances) for where this material can be located:

Supervisory body:

www.nbs.sk

Ministry of Finance of the Slovak Republic:

www.finance.gov.sk

Taxation authority:

www.drsr.sk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.