

GLOBAL FORUM ON  
**TRANSPARENCY AND EXCHANGE OF  
INFORMATION FOR TAX PURPOSES**

Peer Review Report on the Exchange of Information  
on Request

# **SLOVENIA**

2022 (Second Round)



# **Global Forum on Transparency and Exchange of Information for Tax Purposes: Slovenia 2022 (Second Round)**

PEER REVIEW REPORT ON THE EXCHANGE  
OF INFORMATION ON REQUEST

This peer review report was approved by the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes on 12 October 2022 and adopted by the Global Forum members on 7 November 2022. The report was prepared for publication by the Secretariat of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

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Note by the Republic of Türkiye

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

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## Reader's guide

**The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum)** is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

### Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum's work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.

The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction's compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.
2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

## **Consideration of the Financial Action Task Force Evaluations and Ratings**

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML/CFT) standards. Its reviews are based on a jurisdiction's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.



The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, Annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

## More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency) and <http://dx.doi.org/10.1787/2219469x>.



## Abbreviations and acronyms

<b>AA</b>	Accounting Act
<b>AJPES</b>	Agency of the Republic of Slovenia for Public Legal Records and Related Services ( <i>Agencija Republike Slovenije za javnopravne evidence in storitve</i> )
<b>AML</b>	Anti-Money Laundering
<b>APMLFT</b>	Slovenian Act on the Prevention of Money Laundering and Terrorist Financing
<b>BESA</b>	Book Entry Securities Act
<b>BA</b>	Banking Act
<b>CA</b>	Companies Act
<b>CDD</b>	Customer Due Diligence
<b>CSCC</b>	Central Securities Clearing Corporation
<b>DTC</b>	Double Taxation Convention
<b>EOI</b>	Exchange of Information
<b>EOIR</b>	Exchange of Information on Request
<b>EU</b>	European Union
<b>FA</b>	Foundations Act
<b>FAA</b>	Financial Administration Act
<b>FARS</b>	Financial Administration of the Republic of Slovenia
<b>GDPR</b>	General Data Protection Regulation
<b>Global Forum</b>	Global Forum on Transparency and Exchange of Information for Tax Purposes
<b>Moneyval</b>	Council of Europe’s Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism

<b>Multilateral Convention</b>	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OMLP</b>	Office for Money Laundering Prevention
<b>PSSA</b>	Payment Services, Services for Issuing Electronic Money and Payment Systems Act
<b>SE</b>	Societas Europaea
<b>TIEA</b>	Tax Information Exchange Agreement
<b>TPA</b>	Tax Procedure Act

## Executive summary

1. This report analyses the implementation of the standard of transparency and exchange of information on request in Slovenia on the second round of reviews conducted by the Global Forum. It assesses both the legal and regulatory framework in force as at 29 July 2022 and the practical implementation of this framework against the 2016 Terms of Reference, including in respect of EOI requests received and sent during the review period from 1 April 2018 to 31 March 2021. This report concludes that Slovenia is rated overall **Largely Compliant** with the standard.

2. In 2014, the Global Forum evaluated Slovenia in a combined review against the 2010 Terms of Reference for both the legal implementation of the EOIR standard as well as its operation in practice (see Annex 3). The report of that evaluation (the 2014 Report) concluded that Slovenia was Compliant with the standard.

### Comparison of ratings for First Round Report and Second Round Report

Element	First Round Report (2014)	Second Round Report (2022)
A.1 Availability of ownership and identity information	Compliant	Largely Compliant
A.2 Availability of accounting information	Compliant	Compliant
A.3 Availability of banking information	Compliant	Largely Compliant
B.1 Access to information	Compliant	Compliant
B.2 Rights and Safeguards	Compliant	Compliant
C.1 EOIR Mechanisms	Compliant	Compliant
C.2 Network of EOIR Mechanisms	Compliant	Compliant
C.3 Confidentiality	Compliant	Compliant
C.4 Rights and safeguards	Compliant	Compliant
C.5 Quality and timeliness of responses	Compliant	Compliant
<b>OVERALL RATING</b>	<b>COMPLIANT</b>	<b>LARGELY COMPLIANT</b>

*Note:* the four-scale ratings are Compliant, Largely Compliant, Partially Compliant, and Non-Compliant

## Progress made since previous review

3. The 2014 Report concluded that Slovenia was compliant with all the elements of the standard of transparency and exchange of information. Slovenia, nonetheless, had some minor deficiencies to address. Slovenia has addressed the recommendations on the legal framework, by ensuring the availability of legal ownership and identity information with respect to foreign companies and partnerships with sufficient nexus to Slovenia. However, Slovenia still needs to address the recommendation on ensuring that it systematically provides status updates where the requested information could not be provided within 90 days of receipt of the request.

4. Slovenia has put in place a beneficial ownership register, in order to ensure swift access to beneficial ownership information.

5. Slovenia has expanded its EOI network, mainly because of the Convention on Mutual Administrative Assistance in Tax Matters (the Multilateral Convention) and this network will continue to grow as more jurisdictions join the Multilateral Convention. Slovenia has also updated some of its EOI instruments, in order to include a clause similar to paragraphs 4 and 5 of Article 26 of the OECD Model Tax Convention on Income and Capital.

6. With the merger between the tax administration and the customs administration, Slovenia re-organised its EOI Unit, established well-elaborated EOI Manuals and implemented technological systems to support the EOI function.

7. While Slovenia continued progressing on these elements of the standard, the ratings in the present review are less satisfactory than in the previous one. This is because of the strengthening of the standard on beneficial ownership.

## Key recommendations

8. The standard was strengthened in 2016 to ensure the availability of beneficial ownership information. Slovenia has implemented a framework that ensures the availability of beneficial ownership information of all relevant entities, and the keeping of the information for at least five years. However, there are deficiencies with respect to the method to identify the beneficial owner(s) of legal persons and arrangements. Particularly: (i) control by means other than ownership, expressly only mentions providing indirect funding or managing the funds of the entity and (ii) for entities not divided by shares, the identification may be interpreted as restricted to the persons designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases. These

deficiencies could affect the availability of reliable beneficial ownership information. Therefore, Slovenia is recommended to ensure that the identification of beneficial ownership information of companies and partnerships is made in accordance with the standard (elements A.1 and A.3).

9. The standard also requires that up-to-date beneficial ownership information is available at all times with respect to all relevant entities and arrangements. Slovenia has a beneficial ownership register in place which is a key source of beneficial ownership information. Although legal entities and arrangements must update the beneficial ownership register on event basis, the system in place does not ensure that, in practice, the changes of beneficial ownership information are brought to their attention, and this deficiency is not compensated by adequate mitigating factors. Therefore, Slovenia is recommended to ensure that up-to-date beneficial ownership information is available with respect to all relevant legal entities and arrangements.

## Exchange of information in practice

10. During the three-year review period, Slovenia received 195 requests for information and answered all of them except 1 for which Slovenia has already reached out to the relevant partner. This issue apart, peers were generally satisfied with the information provided by Slovenia.

11. Slovenia also sent 736 requests and only in 45 (i.e. only in 6%) of the cases, the requested jurisdictions asked for clarifications, mainly regarding additional information to identify the taxpayer. Peers generally considered that the requests of Slovenia were made in accordance with the Standard.

## Overall rating

12. Slovenia has received a rating of Compliant for eight elements (A.2, B.1, B.2, C.1, C.2, C.3, C.4 and C.5) and a rating of Largely Compliant for two elements (A.1 and A.3). Slovenia's overall rating is Largely Compliant based on a global consideration of its compliance with the individual elements.

13. This report was approved at the Peer Review Group of the Global Forum on 12 October 2022 and was adopted by the Global Forum on 7 November 2022. A follow up report on the steps undertaken by Slovenia to address the recommendations made in this report should be provided to the Peer Review Group no later than 30 June 2023 and thereafter in accordance with the procedure set out under the Methodology for Peer Reviews and Non-Member Reviews.





## Summary of determinations, ratings and recommendations

Determinations and ratings	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities ( <i>ToR A.1</i> )		
<b>The legal and regulatory framework is in place but needs improvement</b>	The identification of beneficial owners is not entirely in line with the standard as (i) control by means other than ownership expressly only mentions providing indirect financing or managing the funds of the entity and (ii) with respect to entities not divided by shares, it may be interpreted as restricted to the persons designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases.	Slovenia is recommended to ensure that the identification of beneficial ownership information of companies and partnerships is made in accordance with the Standard.

Determinations and ratings	Factors underlying recommendations	Recommendations
<b>EOIR Rating Largely Compliant</b>	<p>Slovenia has a beneficial ownership register in place which is a key source of beneficial ownership information. Although legal entities and arrangements must update the beneficial ownership register on event basis, the system in place does not ensure that changes of beneficial ownership information are brought to their attention as beneficial owners are not required to provide the relevant information to the business entities spontaneously and there is no requirement to periodically update or validate beneficial ownership information held in the register. This deficiency is not adequately compensated by the obligation of AML-obliged persons to report discrepancies that they may observe while conducting their own customer due diligence as it is not mandatory to engage an AML-obliged person in Slovenia and non-financial AML-obliged persons are not adequately aware of such obligation to report discrepancies. Furthermore, it remains unconfirmed whether non-financial AML-obliged persons are aware of and effectively implementing guidance that requires updating beneficial ownership information in accordance with the standard. As such, up to date beneficial ownership information may not be available in all cases.</p>	Slovenia is recommended to ensure that up to date beneficial ownership information is available with respect to all relevant legal entities and arrangements in line with the standard.
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements ( <i>ToR A.2</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Compliant</b>		

Determinations and ratings	Factors underlying recommendations	Recommendations
Banking information and beneficial ownership information should be available for all account-holders ( <i>ToR A.3</i> )		
<b>The legal and regulatory framework is in place but needs improvement</b>	The identification of beneficial owners is not entirely in line with the standard as (i) control by means other than ownership expressively only mentions providing indirect financing or managing the funds of the entity and (ii) with respect to entities not divided by shares, it may be interpreted as restricted to the persons designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases.	Slovenia is recommended to ensure that the identification of beneficial ownership information of bank accounts held by entities and arrangements is made in accordance with the Standard.
<b>EOIR Rating Largely Compliant</b>		
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) ( <i>ToR B.1</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Complaint</b>		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information ( <i>ToR B.2</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Complaint</b>		

Determinations and ratings	Factors underlying recommendations	Recommendations
Exchange of information mechanisms should provide for effective exchange of information ( <i>ToR C.1</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Compliant</b>		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners ( <i>ToR C.2</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Compliant</b>		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received ( <i>ToR C.3</i> )		
<b>The legal and regulatory framework is in place</b>		
<b>EOIR Rating Compliant</b>		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties ( <i>ToR C.4</i> )		
<b>The legal and regulatory framework is in place.</b>		

Determinations and ratings	Factors underlying recommendations	Recommendations
<b>EOIR Rating Compliant</b>	Slovenia declined exchanging information on an individual on the basis of data protection rules. This is not in line with the standard. Slovenia afterwards clarified and formalised its position according to which it can exchange information with all partners, regardless of their level of protection of personal data. However, despite this position, Slovenia requested to a peer to demonstrate an appropriate level of data protection, before it finally withdrew this condition and exchanged the information. Therefore, the implementation of this position in practice remains unclear.	Slovenia should ensure that it exchanges all types of information, including information that may qualify as personal data, with all EOI partners, in accordance with the standard.
The jurisdiction should request and provide information under its network of agreements in an effective manner ( <i>ToR C.5</i> )		
<b>Legal and regulatory framework:</b>	This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made.	
<b>EOIR Rating: Compliant</b>	Slovenia does not consistently provide status updates where the requested information cannot be provided in 90 days or less.	Slovenia should ensure that in practice requesting jurisdictions are informed of the status where a full response cannot be provided within 90 days



## Overview of Slovenia

14. This overview provides some basic information about Slovenia that serves as context for understanding the analysis in the main body of the report.

15. Slovenia's Gross Domestic Product in 2019 amounted to EUR 48.39 billion, with a fall of 4.2% during 2020, mainly attributed to the COVID-19 pandemic. The main trading partners of Slovenia are Italy, Germany, Austria and Croatia, and its leading economic sectors are agriculture, forestry and fishing, as well as industries such as chemicals, electrical engineering, electronics, food processing, metal, motor vehicles, lumber, pharmaceuticals and textile, with a strong participation of services in the economy.

### Legal system

16. Slovenia is a democratic republic and social state governed by law. It is also a territorially unified and indivisible state. The state's authority is based on the principle of the separation of legislative, executive and judicial powers, with a parliamentary system of government. The highest legislative authority is the National Assembly (90 deputies elected every four years), which has the right to enact laws.

17. Slovenia has inherited a civil legal system owing to it once forming part of the Austrian-Hungarian Empire. The Constitution is the state's supreme law and all laws passed must be in conformity with the Constitution. All laws passed must also be in conformity with generally accepted principles of international law and with all treaties that have been ratified by the National Assembly. Regulations and other general legal acts must also be in conformity with the laws and other ratified treaties. Treaties, once they are ratified and published, are directly applicable (s. 8 of the Constitution). The National Assembly ratifies treaties (s. 86 of the Constitution).

18. Judicial power in Slovenia is exercised by the courts. Courts are independent in the exercise of their functions and they must operate in accordance with the Constitution, and the rule of law. The court system consists of courts with both general and special jurisdiction. Courts with general

jurisdiction include 44 local courts, which are courts of first instance for both criminal and civil matters within their jurisdiction. There are 11 regional courts, which are the courts of first instance for both criminal and civil matters when the jurisdiction of the local courts is exceeded, and 4 higher courts, which are courts of appeal from both the local and regional courts. The Supreme Court is the highest court. Appeals from lower courts are made to the Supreme Court.

19. Special courts comprise four labour courts and a social court (which rule on labour-related and social insurance disputes), and the Administrative Court, which deals with administrative matters, including all tax matters, and has the status of a higher court. There is also a Constitutional Court, which upholds the constitutionality and legality of the legislative acts as passed by the National Assembly.

20. Slovenia has been a member of the European Union (EU) since 1 May 2004. It has also been a member of the Economic and Monetary Union since May 2004 and adopted the euro as its national currency on 1 January 2007. Slovenia is a member of the World Trade Organisation (WTO), the North Atlantic Treaty Organisation (NATO), the United Nations (UN) and the Organisation for Economic Co-operation and Development (OECD).

## Tax system

21. The Constitution grants the Government the right to impose taxes. The tax system in Slovenia consists of three main categories of taxes: direct taxes on income, direct taxes on property and indirect taxes.

22. In accordance with the Corporate Income Tax Act all legal persons carrying out commercial activities and which have their registered head office or place of effective management in Slovenia (including companies, partnerships, investment funds, banks, insurance companies, and other legal persons) are subject to corporate income tax on their worldwide income. Non-resident legal persons (i.e. that do not have their headquarters or their place of effective management in Slovenia) are subject to corporate income tax only on that part of their income that has its source in Slovenia. Certain legal persons engaged in non-profit activities are exempt from corporate income tax, such as institutes, associations, foundations, religious communities, political parties or trade unions.

23. Corporate income tax is levied on the taxable profit of private companies at a rate of 19%. A special rate of 0% applies under certain conditions to investment funds, pension funds and insurance undertakings for pension plans. The tax year is the calendar year. In the case of legal



entities, the tax year can be different from the calendar year and instead may be equal to the accounting year of the business.

24. In accordance with the Personal Income Tax Act, individuals resident in Slovenia (i.e. those with their permanent residence in Slovenia) are subject to personal income tax in respect of their worldwide income. Personal income tax is divided in six categories of income: income from employment, business income, income from basic agriculture and forestry, royalties, income from capital, and other income accruing to persons liable to tax in Slovenia.

25. Tax on rental income, interest, dividends and capital gains is paid according to a flat income tax rate of 25% with reduced rates for capital gains where certain criteria are fulfilled. Tax on all other income (usually referred to in Slovenia as “active income”) is paid during the tax year in the form of advance tax payments at progressive rates ranging from 16% to 50%.

26. As for non-resident legal persons, non-resident individuals are subject to income tax only on that part of their income that has its source in Slovenia.

27. Slovenia has 61 Double Taxation Conventions (DTCs) and 3 Tax Information Exchange Agreements (TIEAs) in place, including with its main trading partners. It is also a Party to the Multilateral Convention and exchanges information with other EU member states under various EU instruments.

28. Slovenia is a member of the Global Forum and also exchanges information under the Standard of Automatic Exchange of Financial Account Information since 2017.

29. Slovenia is also a member of OECD/G20 Inclusive Framework on BEPS and exchanges information of Country-by-Country reports and tax rulings. Slovenia has also joined the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy.

30. The Financial Administration of the Republic of Slovenia (FARS) is in charge of implementing in practice the tax laws and it is the delegated Competent Authority for EOI purposes.

## Financial services sector

31. The main laws regulating the financial sector are the Banking Act, the Financial Instruments Market Act, the Investment Funds and Management Companies Act and the Insurance Act.

32. Slovenia has a sound financial services sector primarily supervised by the Bank of Slovenia, Securities Market Agency and the Insurance Supervision Agency. The financial sector operates mainly on a local level.

33. The banking sector in Slovenia consists of 11 banks, 3 savings banks and 2 branches of foreign banks. Other financial institutions include 13 insurance companies, 2 reinsurance companies, 3 mutual pension funds, 3 brokerage companies, 1 stock exchange, 1 central depository company, 5 asset management companies and 30 alternative investment funds.

34. The Bank of Slovenia is the central bank. It has legal personality under public law, and freely and independently disposes of its own assets. Its fundamental objective is to maintain price stability and to supervise banks and savings banks. The Bank of Slovenia exercises this control by reviewing the periodical reports submitted by banks, carrying out on-site examination and imposing control measures.

35. Capital markets are supervised by the Securities Market Agency. It is independent in performing its tasks. Its basic mission is to maintain a safe, transparent and efficient market in financial instruments by exercising control over the brokerage companies, banks engaged in investment transactions and services, management companies, investment funds, mutual pension funds, public companies and public-limited companies governed by the Takeovers Act.

36. Insurance companies are supervised by the Insurance Supervision Agency. Its main responsibility is to supervise insurance undertakings, insurance agencies, insurance brokerage companies, insurance agents and insurance brokers. The Agency also conducts supervision of legal persons involved in insurance undertakings, as well as the supervision of insurance undertakings within an insurance group, insurance holding company or joint-venture insurance holding company.

## Anti-Money Laundering Framework

37. The Slovenian Act on the Prevention of Money Laundering and Terrorist Financing (APMLFT) regulates the anti-money laundering measures. The Office for Money Laundering Prevention (OMLP) is the Slovenian Financial Intelligence Unit and performs duties relating to the prevention and detection of money laundering and terrorist financing by receiving, collecting, analysing and forwarding data, information and documentation obtained in accordance with the provisions of the APMLFT. The OMLP also supervises the implementation of the obligations provided by the APMLFT, together with other authorities, including the Bank of Slovenia, Securities Market Agency, Insurance Supervision Agency, FARS, Bar Association of Slovenia and Chamber of Notaries of Slovenia.

38. MONEYVAL's 5<sup>th</sup> Round Evaluation of Slovenia was adopted in June 2017. Slovenia received 11 “partially compliant” ratings for technical compliance, 1 “Substantial” and 10 “Moderate” ratings for effectiveness. Slovenia was rated as Largely Compliant with respect to recommendations 10 (Customer due diligence), 22 (Designated Non-Financial Business and Professionals: Customer due diligence), 24 (Transparency and beneficial ownership of legal persons) and 25 (Transparency and beneficial ownership of legal arrangements). On effectiveness, Slovenia was rated with a moderate level of effectiveness with respect to Immediate Outcome 5 (Transparency of legal persons and arrangements).

39. Therefore, Slovenia was put into the Enhanced Follow-Up (FUR) procedure and had to report back to the MONEYVAL plenary in December 2018, December 2019 and April 2021. Slovenia sent the fourth Enhanced Follow-Up Report to the MONEYVAL Secretariat, which was discussed at plenary in April 2022.<sup>1</sup> The ratings in respect of recommendations 10, 22, 24 and 25 remain the same.

## Recent developments

40. Since the 2014 Report, Slovenia has amended the Financial Administration Act (FAA) aiming to ensure that the legal ownership and identity information of foreign companies and partnerships with sufficient nexus to Slovenia is available.

41. In 2017, Slovenia began exchanging information under the Standard of Automatic Exchange of Financial Account Information.

42. In December 2019 and June 2020, Slovenia modified relevant provisions of the APMLFT in relation to the availability of beneficial ownership information, in relation to foreign trusts and introducing the obligation of beneficial owners to provide information to business entities to which they are related.

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1. Follow-up Report (4th Enhanced) available at <https://www.coe.int/en/web/moneyval/jurisdictions/slovenia>.



## Part A: Availability of information

43. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of banking information.

### A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

44. The 2014 Report found that Slovenia's legal and regulatory framework for the availability of legal ownership information was in place. The main sources of legal ownership information are the court register and the Central Securities Clearing Corporation (CSCC) to which the tax administration has direct access. Slovenia's implementation in practice was rated Compliant to the standard in 2014 and Slovenia was nonetheless recommended to ensure the availability of ownership information on foreign companies with sufficient nexus with Slovenia (in particular, having their place of effective management in Slovenia) and on foreign partnerships carrying on business in Slovenia or deriving taxable income. Slovenia addressed this deficiency by introducing an obligation for foreign entities (which includes partnerships in Slovenia) engaging in a business activity in Slovenia to report their legal ownership information to the tax registry.

45. The standard of transparency and exchange of information on request (the standard) was strengthened in 2016 to introduce the obligation of availability of beneficial ownership information on all relevant entities and arrangements. The main sources of beneficial ownership information are the central beneficial ownership register, business entities themselves and AML-obliged persons. The register is fed by information provided by entities and exists since 2017, i.e. it was in place throughout the review period. The AML obligations pre-exist this register.

46. Slovenia's legislation on the identification of beneficial owners of legal persons is not entirely in line with the standard as (i) control by means other than ownership may be interpreted as restricted to indirect financing and (ii) with respect to entities not divided by shares, it may be interpreted as limited to the persons designated by law to represent the entity. Therefore, Slovenia is recommended to ensure that the identification of beneficial ownership information of companies and partnerships is made in accordance with the Standard.

47. Slovenia has a beneficial ownership register in place which is a key source of beneficial ownership information. Although legal entities and arrangements must update the central beneficial ownership register, the system in place does not ensure that changes in beneficial ownership are brought to their attention. Further, non-financial AML-obliged persons are not adequately aware of their obligations to report discrepancies that they may observe while conducting their own customer due diligence. In the absence of specified frequency to review and update beneficial ownership information, there may be situations where the beneficial ownership information is not up to date. In order to ensure that beneficial ownership information reported in the register is accurate and up to date, supervision and enforcement in respect of this aspect would be needed. Therefore, Slovenia is recommended to ensure that the beneficial ownership information in the beneficial ownership register, being a key source in Slovenia of beneficial ownership information, is kept accurate and up to date.

48. The main authorities charged to oversee and enforce the availability of legal and beneficial ownership information are the Ministry of Economic Development and Technology, the Tax Administration, the Office for Money Laundering Prevention (OMLP) and the Bank of Slovenia. In practice, those authorities have exercised their powers and applied relevant sanctions.

49. During the peer review period from 1 April 2018 to 31 March 2021, Slovenia received and replied to 47 requests for legal and beneficial ownership information. Peers were generally satisfied with the responses provided by Slovenia and no issue was identified in practice.

50. In conclusion, because of the issues identified in the legal framework and the availability of up-to-date beneficial ownership information in practice, Slovenia is now rated Largely Compliant with the standard.

51. The conclusions are as follows:

**Legal and Regulatory Framework: in place, but certain aspects of the legal implementation of the element need improvement**

Deficiencies identified/Underlying factor	Recommendations
<p>The identification of beneficial owners is not entirely in line with the standard as (i) control by means other than ownership expressly only mentions providing indirect financing or managing the funds of the entity and (ii) with respect to entities not divided by shares, it may be interpreted as restricted to the persons designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases</p>	<p>Slovenia is recommended to ensure that the identification of beneficial ownership information of companies and partnerships is made in accordance with the standard.</p>

**Practical Implementation of the Standard: Largely Compliant**

Deficiencies identified/Underlying factor	Recommendations
<p>Slovenia has a beneficial ownership register in place which is a key source of beneficial ownership information. Although legal entities and arrangements must update the beneficial ownership register on event basis, the system in place does not ensure that changes of beneficial ownership information are brought to their attention as beneficial owners are not required to provide the relevant information to the business entities spontaneously and there is no requirement to periodically update or validate beneficial ownership information held in the register. This deficiency is not adequately compensated by the obligation of AML-obliged persons to report discrepancies that they may observe while conducting their own customer due diligence as it is not mandatory to engage an AML-obliged person in Slovenia and non-financial AML-obliged persons are not adequately aware of such obligation to report discrepancies.</p> <p>Furthermore, it remains unconfirmed whether non-financial AML-obliged persons are aware of and effectively implementing guidance that requires updating beneficial ownership information in accordance with the standard.</p> <p>As such, up to date beneficial ownership information may not be available in all cases.</p>	<p>Slovenia is recommended to ensure that up to date beneficial ownership information is available with respect to all relevant legal entities and arrangements in line with the standard.</p>

### ***A.1.1. Availability of legal and beneficial ownership information for companies***

52. The availability of legal and beneficial ownership information in Slovenia is provided by a combination of corporate law, tax law and anti-money laundering law. Legal ownership information on domestic companies is available in governmental registries, namely the court register and the CSCC, under the Companies Act and the Book Entry Securities Act. In addition, legal ownership information of domestic and foreign companies is available in the tax registry under the Financial Administration Act.

53. The Ministry of Economic Development and Technology, the Bank of Slovenia, the OMLP and the Financial Administration of the Republic of Slovenia (FARS) are the main authorities charged with overseeing compliance with such obligations. In practice, these authorities have exerted their supervisory powers and applied sanctions where applicable.

#### *Types of companies*

54. The Companies Act (CA) is the central piece of legislation governing companies. Under the CA, a company is a legal person that independently carries out a gainful activity on the market as its sole activity (s. 3(1) CA). Companies organised by shares may be:

- **Limited Liability Companies:** A company whose share capital consists of capital contributions by its members (s. 471(1) CA). It may be founded by one or more natural or legal persons who shall become company members upon the company's formation by means of a memorandum of association (s. 474(1) CA). The company members are not liable for the obligations of a limited liability company (s. 472 CA). As at March 2021, there were 72 131 limited liability companies registered in the court register. As opposed to Public Limited Companies, no securities are issued for the capital contributions to the Limited Liability Companies.
- **Public Limited Companies:** A company whose capital is divided into shares (s. 168(1) CA). It is formed by one or more natural or legal persons adopting the company's articles of association (s. 169 CA). The minimum amount of share capital is EUR 25 000 (s. 171 CA). It can be established only through a notary. As at March 2021, there were 491 public limited companies registered.
- **Societas Europaea (SE):** As Slovenia is a member of the European Union, it is possible to incorporate SE in Slovenia. The rules that apply to public limited companies also apply to SEs, unless indicated otherwise. As at March 2021, there was one SE registered.



- Partnerships limited by shares: A company in which at least one partner assumes the liability for the company's obligations with all its assets (general partner), while the limited shareholders who hold an interest in the share capital do not assume any liability for the company's obligations to the creditors (s. 464(1) CA). It is formed by means of the articles of association, which needs to be adopted by at least five persons (s. 465(1) CA). As at March 2021, there was no registered partnership limited by shares. This type of entity is covered in this section rather than in the partnerships section, as per the CA, partnerships limited by shares are considered companies divided by shares, and the corporate and economic rights of the limited partners depend on the amount of shares held by them.

55. All of the above companies are considered as legal persons (s. 4(1) CA) and, thus, may own movable and immovable property, acquire rights, assume obligations, and file actions or have actions filed against them (s. 4(2) CA). Companies assume liability for their obligations with all their assets (s. 7(1) CA).

### *Availability of legal ownership information*

56. The legal ownership and identity requirements for companies are found mainly in the Companies Act (CA), the Book Entry Securities Act (BESA) which together form company law, and the Financial Administration Act (FAA). The anti-money laundering legislation is a subsidiary but incomplete source of legal and identity information. The following table shows a summary of the legal requirements to maintain legal ownership information in respect of companies.

#### Companies covered by legislation regulating legal ownership information<sup>2</sup>

Type	Company Law	Tax Law	AML Law/CDD
Public Limited Companies	All	All	Some
Societas Europaea	All	All	Some
Partnerships Limited by Shares	All	All	Some
Limited liability partnerships	All	All	Some
Foreign companies (tax resident)	None	All	Some

2. The table shows each type of entity and whether the various rules applicable require availability of information for “all” such entities, “some” or “none”. “All” means that the legislation, whether or not it meets the standard, contains requirements on the availability of ownership information for every entity of this type. “Some” means that an entity will be covered by these requirements if certain conditions are met.

**Companies Law requirements**

57. Companies obtain their legal personality and may commence their activities only upon entry in the court register (s. 5(1) and 6(6) CA). Registration is made by filing an application, with the following information:

- the registered name
- the registered office
- the business address
- the activity of the entity
- the amount of share capital and of each subscribed contribution
- the identity of shareholders.

58. The identity of shareholders is verified against the information kept by the Central Population Register (for individuals), the court register (for legal entities) and the Tax Register (for non-residents). In accordance with the Court Register Act, if a natural person does not have a permanent or temporary residence in Slovenia, or if a legal person does not have a registration number because it is not entered in the court register, in order to be registered in the court register as a member, a founder or member of the entity of registration, or as a member of the body of the entity of registration, it must be entered in the tax register for the purpose of allocating a tax number, even if the general conditions for entry in the tax register are not met. As such, even non tax residents would be registered in the tax register.

59. The application for registration must be submitted within 15 days following the conclusion of all other formalities for setting up a specific type of company (s. 47(3) CA). The registration procedures are regulated by the CA in conjunction with the Court Register Act.

60. By default, any change in the registered information must be reported for entry in the court register within 15 days of its occurrence (s. 48 CA). The CA also provides for specific timeframe for ownership information and/or depending on the form of the company: for Limited Liability Companies and SE, changes on the members of the company must be reported within three days (s. 478(2) CA). For Public Limited Companies, the changes of shareholders are recorded in the shares register upon transfer of the share (s. 236(3) CA).

61. The legal ownership information of companies is kept permanently in the court register, even after the termination of the company.

62. Moreover, all shares must be issued as dematerialised securities (s. 182(1) CA). A company is required to file an application for the issue of shares in dematerialised form with the CSCC (s. 182(2) CA).

63. The CSCC is a central register containing the identification of the share and the shareholder (s. 4(1)(3) BESA). The information on shareholders and any transfer of the share is recorded (ss. 3, 6, 16 and 22 BESA). As such, the central register also contains the identity of the legal owners of companies.

64. Foreign companies are legal persons carrying out a gainful activity and having a place of residence or registered office outside of Slovenia (s. 674(1) CA). The rights, obligations and liabilities of foreign companies when carrying out operations in Slovenia are equal to those of companies with a registered office in Slovenia (s. 675 CA). A foreign company may carry out a gainful activity in Slovenia through branches (s. 676(1) CA). Foreign companies must register with the tax administration prior to registering with the court register.

65. As such, foreign companies carrying out activities in Slovenia are also required to apply for registration in the court register (s. 677(1) CA) and can only commence their activities after a branch has been entered in the register (s. 680(1) CA).

66. The application must include:

- company name and registered office of the branch
- indication of activities and transactions carried out by the branch
- the name and surname of the person representing the branch and the foreign company
- identification data on the founder or company member
- the type and scope of liability of the founder or company member
- the date when the founder or company member joined or withdrew from the company
- the amount of the contribution made by the founder or company member.

67. The application must be accompanied with, among others, an authorised copy of rules or of the memorandum of association (s. 677(2) CA). Slovenia confirmed that the identification data on the founder or company member refers to the principal of the branch rather than legal ownership information. The identity of the legal owners will only be available to the extent that such information is shown in the memorandum of association. The information on legal ownership of foreign companies is nevertheless available through the FAA provisions (see tax law requirements).

68. As a general rule, Slovenian law does not allow for migration of companies. However, SE can be migrated to another EU-member state without losing its legal personality; in such a case, the entity must submit an application for the entry of the intended transfer of the SE's registered office

(s. 443(1) CA). Even if a SE is migrated, its legal and beneficial ownership information would still be available in Slovenia, via public records (mainly the court register and the BO register, managed by the Agency of the Republic of Slovenia for Public Legal Records and Related Services, as well as the shares register).

69. As such, with respect to domestic companies, there is a sound legal framework requiring all relevant companies to report information with respect to the identity of their legal owners. Such information is kept in the registers of governmental agencies: AJPES and CSCC.

### **Tax law requirements**

70. FARS keeps and maintains the Tax Register, which is a uniform computerised database connected with other registers or records. All information included in the court register and the CSCC upon registration is automatically transferred to the Tax Register.

71. Therefore, with respect to domestic companies, the legal ownership information that is available in the court register and the CSCC is also available to the FARS. As previously mentioned, the legal ownership information on such registers is kept permanently, even if the company ceases to exist.

72. At the time of the 2014 Report, it was noted that foreign companies were not required to provide legal ownership information when registering in the court register. Therefore, Slovenia was recommended to ensure that ownership information on foreign companies with sufficient nexus with Slovenia (in particular having their place of effective management in Slovenia) is available in all cases.

73. In 2014, Slovenia modified its FAA, introducing the obligation for legal entities, associations of persons subject to foreign law engaging in a business activity to report to the tax registry the following information with respect to their founders, associates and members (s. 49(12) FAA):

- tax identification number
- name or company name
- permanent residence or registered office
- country of residence or establishment
- type and scope of responsibility
- date of entry/exit
- amount of capital contribution.

74. Changes to the above information must also be reported to the tax registry within eight days of the occurrence of such changes, as well as part of the annual tax return.

75. As a consequence of the 2014 reform, foreign companies need to be registered in the tax registry and provide identity information on their legal owners prior to registration in the court registry which, in turn, is needed to carry out activities in Slovenia.

76. Therefore, Slovenia has addressed the recommendation made in the 2014 Report as there is now in place a sound legal framework providing for the availability of legal ownership information with respect to foreign entities having sufficient nexus in Slovenia.

### **Anti-money laundering requirements**

77. The Act on the Prevention on Money Laundering and Terrorist Financing (APMLTF) provides for obligations on the availability of beneficial ownership information that could also lead to the identification of legal owners, as a complementary source of information (see below the section on Availability of beneficial ownership information). The AML-obliged persons must apply Customer Due Diligence requirements in respect of their customers. Nevertheless, the AML Law does not explicitly require that the AML-obliged persons keep all information on legal ownership of the companies and the identification of the beneficial owners does not always ensure the identification of all the legal owners. Therefore, although the identification of the beneficial owners may lead, in some cases, to the identification of the legal owners, the AML-obliged persons are not the privileged source for obtaining legal ownership information.

### **Legal ownership information – Implementation, oversight and enforcement measures**

78. The court register serves as the primary register for companies and branches of foreign companies operating in Slovenia. It is an integral part of the Slovenian Business Register, which is a central database containing information about all business entities involved in a profit or non-profit activity and having their principal place of business located in Slovenia, as well as information on their subsidiaries and other divisions of business entities performing business activities in Slovenia.

79. As mentioned in paragraph 69, the court register is managed by the AJPES, a legal entity of public law. The entry in the register is completed immediately after a positive decision is rendered by the Court. However, once the entity has been registered, AJPES does not have the power to

enter changes in the registry. The companies themselves must enter the changes, including when the relevant authorities request the change.

80. Companies, including foreign companies carrying out activities in Slovenia, cannot operate without being registered and subsequently receiving a unique identifier which is needed for any procedures that follow a registration procedure, e.g. opening a bank account, receiving a tax identification number (TIN), submitting to public tenders, tax and other bonuses. AJPES determines the unique identifier after receiving an application form of a legal entity.

81. A legal entity can apply for registration either via the electronic Slovene Business Point Portal or at one of the 100 physical business points (SPOT) that are located throughout the country. A registration through the Slovene Business Point Portal requires a digital certificate to certify the identity of the applicant(s) and the content of the submitted information. For a registration at a physical SPOT, the future members and future representatives of the company must be present at the registration process and bring with them a valid personal identification document, a certified declaration of the administrative consent for the business address and the amount in cash of the initial capital. Once the application meets all the relevant conditions, the company is entered in the court register within a few days. The procedures to establish a company may also be performed before a notary (this procedure is mandatory for Public Limited Companies). In such a case, the notary is in charge of drawing up all the necessary documents, the signature of which requires the attendance of the founders in person.

82. The CSCC also contains the identity information on the information on the shareholder and on any transfer of the share. The shareholders cannot exert their rights towards the company without prior registration.

83. The Ministry of Economic Development and Technology is the authority designated by law to oversee compliance with the obligations to register with the court register and any changes of the data previously entered in the court register (s. 684(6) CA).

84. Representatives of the private sector interviewed during the onsite visit are familiar with the process and requirements for registration and updating information in the court register as well as the shares register. Moreover, the associations of the private sector, e.g. the Chamber of Commerce, organise awareness sessions to promote compliance with reporting obligations to the court register and the shares register in co-ordination with AJPES and CSCC.

85. Overall, the system ensuring the availability of legal ownership information relies on publicly maintained registers to which the tax authority has direct access and the AML-obliged persons seem fairly aware of their

obligations. Moreover, AML-obliged persons are encouraged to comply with their obligations as a company can only commence its activities once it is registered in the court register and shareholders can only exercise their economic and corporate rights if the information reported to the shares register is up to date. Thus, incorrect information in the registry is rare.

86. With respect to enforcement, under article 685(1) of the CA, failure to register with the court register, failure to submit any changes of the data previously entered in the court register, incorrect changes of data reported or failure to adopt documents which reflect the latest state of the data is considered a minor offence, which may be punishable with a fine, the amount of which depends on the company's size:

- Large companies: from EUR 15 000 to EUR 45 000
- Medium-sized companies: from EUR 10 000 to EUR 30 000
- Small companies from EUR 2 500 to EUR 15 000
- Micro companies from EUR 1 000 to EUR 6 000.

87. In addition, the responsible person of the company may also be fined from EUR 500 to EUR 4 000 (s. 685(2) CA) for the same infringements.

88. With respect to the Tax Register, the FARS is the authority charged with monitoring of reporting obligations.

89. Under article 97 of the FAA, failure to submit information to the Tax Register, including with respect to the identity of the legal owners of foreign entities with sufficient nexus in Slovenia, is punishable with a fine ranging from EUR 1 200 to EUR 30 000. Furthermore, the responsible person of the company may also be fined from EUR 400 to EUR 4 000 (s. 97(2) FAA) for the same infringements.

90. In practice, the FARS does not carry out specific audits on availability of legal ownership information but rather will review the availability of legal ownership in the context of a regular tax audit. Slovenian authorities indicated that on average *circa* 5% of corporate taxpayers are audited yearly. Tax audits are mainly planned and programmed based on risks; however, a *circa* 5% of random cases are also selected for audit. Therefore, in practice the tax administration constantly reviews the availability of legal ownership information.

91. With respect to the CA and as mentioned in paragraph 83, the Ministry of Economic Development and Technology is the authority charged with overseeing compliance with reporting obligations to the court register and the obligation with respect to the shares register is overseen by the Securities Market Act. During the onsite visit, the authorities indicated that there are not many procedures specially dedicated to oversee correctness

of data in the court register as this is part of tax audits. From 2018 to 2020, the Ministry of Economic Development and Technology conducted three minor offence procedures against three companies for not entering changes of data into the court register. In two cases, a notice of finding a reason for striking-off the company from court register without liquidation was sent to the Court. In the other case, the company was fined with EUR 1 000 and the liable person of the company was fined with EUR 500.

92. Slovenian law does not foresee the concept of inactive company. However, under the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act, a company may be struck off from the court register if it fails to submit its annual reports to the Register for two consecutive years (article 427). In such a case, the AJPES must notify the Court of Registration within two months after the expiry of the time limit for the submission of the annual reports (article 428). Then, the Court can decide to initiate the striking off procedure (article 440) which entails the termination of the legal entity, i.e. it loses its legal personality (article 441). A legal entity can also be struck off without liquidation (i.e. there is no process to dispose of the assets and settle the liabilities) if it no longer carries out business at the business address entered in the register. This process of striking off from the court register ensures that the companies that fail to comply with their reporting obligation can no longer exercise their activities. During the peer review period, Slovenia applied this procedure 13 454 times. The status of companies is systematically checked every year to trigger this procedure, if applicable.

93. Considering implementation in practice, enforcement measures and oversight activities, Slovenia's supervision and enforcement with respect to the availability of legal ownership information is effective in practice.

### *Availability of beneficial ownership information*

94. The standard was strengthened in 2016 to require that beneficial ownership information be available on companies. In Slovenia, this aspect of the standard is addressed through the AML framework.

95. The APMLTF provides for the obligation to identify the beneficial owners for both AML-obliged persons (s. 41(1) APMLTF) and business entities (s. 41(2) APMLTF). The same definition and methodology for identifying beneficial owners applies to both AML-obliged persons and entities.



### Companies covered by legislation regulating beneficial ownership information

Type	Company Law	Tax Law	AML Law/ CDD	AML Law/ Business Entities
Public Limited Companies	None	None	Some	All
Societas Europaea	None	None	Some	All
Partnerships Limited by Shares	None	None	Some	All
Limited liability partnerships	None	None	Some	All
Foreign companies (tax resident) <sup>3</sup>	None	None	All	All

### Obligated persons/Customer Due Diligence

96. AML-obliged persons are persons subject to AML requirements with respect to their business relationships. These include banks, currency exchange offices and trust and company service providers, auditing firms and independent auditors (s. 4(1) APMLTF). A trust and company service provider means any natural person or legal entity which by way of business provides services to third parties, inter alia, to form legal entities and in the provision of a head office or administrative address (s. 3(34) APMLTF).

97. Companies have no legal obligation to enter into a continuous relationship with an AML-obliged person. However, more than 95% of the companies incorporated in Slovenia have a business relationship with a bank and only 1.08% of the Slovenian legal entities have a bank account abroad.<sup>4</sup> Slovenian authorities informed that the remaining 4% relates mostly to companies without recent activities. Thus, in most cases, beneficial ownership information should be available with AML-obliged persons under the APMLTF.

98. The AML-obliged persons are required to identify the beneficial owners of their customers when conducting due diligence procedures (s. 21(2) APMLTF). In accordance with article 22(1) of the APMLTF, due diligence procedures are required to be carried out, among others, when:

- establishing a business relationship with a customer
- carrying out a transaction amounting to EUR 15 000 or more, with respect to a client with whom the AML-obliged person has not previously concluded any agreements, notwithstanding whether the

3. Where a foreign company has a sufficient nexus, then the availability of beneficial ownership information is required to the extent the company has a relationship with an AML-obliged person that is relevant for the purposes of EOIR. (Terms of Reference A.1.1 Footnote 9).
4. Information provided by the Ministry of Finance.

transaction is carried out in a single or several operations which are evidently linked

- whenever there is a suspicion of money laundering or terrorist financing in respect of a transaction or customer, assets or property regardless of the transaction amount. This would generally include tax fraud.

99. In order to identify the beneficial owner of a customer, an AML-obliged person must inspect the original or certified documentation from the business (not older than three months), Court or other public Registers. They must also inspect the BO register (s. 47(1) APMLTF), which was created in 2017 and is accessible to AML-obliged persons, but it does not contain the underlying documentation. The AML-obliged person must not exclusively rely on data entered in the BO register (s. 47(6) APMLTF). If the AML-obliged person establishes that the data on the beneficial owner entered in the register is inconsistent with the data that the AML-obliged person obtained by themselves, the AML-obliged person must submit a written notice thereof to the OMLP within 15 days of detecting the inconsistency (s. 47(10) APMLTF).

100. The information to be identified with respect to the beneficial owners includes full name, address of permanent and temporary residence, date of birth, citizenship, ownership share or other method of control (s. 150(14)(a) APMLTF).

101. When establishing the business relationship with the client, the AML-obliged persons may rely on third party service providers for purposes of carrying out the due diligence procedures, including identifying the beneficial owner of the customer. However, the AML-obliged person remains responsible for the correct customer due diligence procedure. The third party is required to make immediately available to the AML-obliged person the data obtained on the customer which must be verified and maintained by the AML-obliged person in accordance with the APMLTF (s. 56 APMLTF). The third parties service providers must be persons who are subject to similar AML/KYC regulations and supervision, e.g. other AML-obliged persons. The AML-obliged person is required to verify in advance whether the third party entrusted to carry out customer due diligence meets all the conditions to be eligible as a third party service provider (s. 56(2) APMLTF). If the AML-obliged person considers that there is good reason to doubt the veracity of the performed customer due diligence or identification documentation or reliability of obtained data on the customer, the AML-obliged person is required to carry out due diligence itself (s. 56(4) APMLTF).

102. Under the APMLTF, AML-obliged persons may conduct simplified due diligence procedures if the AML-obliged person assesses that a customer,

business relationship, transaction, product, service, distribution channel, state or geographical area present little risk of money laundering or terrorist financing (s. 19(1) APMLTF). Moreover, an AML-obliged person may exceptionally verify the identity of the beneficial owner of its customers also after establishing a business relationship with the customer if it is deemed necessary to preserve uninterrupted normal conduct of the AML-obliged person's business and if there is low risk to money laundering (s. 24(2) APMLTF). However, in any case, the AML-obliged persons must determine the beneficial owner of their customer, in accordance with the general provisions (s. 63(2) APMLTF). As these special rules are limited to low risk cases and, in any case, the beneficial owner must be identified, they do not pose a risk to the standard.

103. The AML-obliged persons are required to keep the information obtained during their due diligence procedures, including with respect to the identification of the beneficial owners of their clients, for a period of 10 years following the termination of a business relationship or the completion of a transaction (s. 142(1) APMLTF).

104. In the event of the liquidation of an AML-obliged person or carrying out a status change of an AML-obliged person (e.g. merger or spin-off), the authority performing the procedure (either the court register, insolvency administrator or other authorised liquidator, depending on the type of liquidation) is required to ensure that data and corresponding documentation are retained for the 10 years period and to inform the OMLP of the whereabouts of the information (s. 142(5) APMLTF).

105. The AML-obliged person must ensure that the obtained documents and data on the customer, including beneficial ownership information, are updated depending on the risk of money laundering or terrorist financing. The update of the documents and data in relation with the beneficial owner must occur when significant changes in circumstances of the customer are detected, when there is an obligation to check the beneficial ownership information (s. 54(6) APMLTF) and at least after five years from the last customer due diligence if the customer has performed at least one transaction with the AML-obliged person in the last twelve months (s. 54(4) APMLTF).

106. These requirements for updating information are not fully consistent with the standard as they do not set a specified frequency for the checking/update of the information when no triggering factor intervenes in the interval. As an exception, the Guidance issued for the implementation of the AML requirements by banks requires an update of the CDD at least every 2 years for high-risk clients, 3 years for medium-risk clients and 5 years for low-risk clients, in line with the standard. The only guidance provided by Slovenia during the review refers to financial institutions. Late in the peer review process, Slovenia mentioned that a similar guidance has been issued for

other AML-obliged persons; however, it remains unconfirmed whether non-financial entities are aware of such guidance and if the same is effectively implemented. In addition, as this guidance was not made available during the review process, its compliance with the standard could not be assessed. In practice, the OMLP is the main authority charged to oversee compliance of AML-obliged persons, working in close co-ordination with other authorities such as the Bank of Slovenia, the Chamber of Notaries and the Bar Association. The authorities are knowledgeable about the requirements of the Slovenian legislation and the standard and appear to work in close co-ordination with the tax administration.

107. The representatives of the Bank Association are largely familiar with their AML obligations, including the obligation of comparing the information collected against the BO register and report inconsistencies as detected, as well as the obligation of not relying solely on the information of the BO register.

108. The representatives of other associations of the private sector are also familiar with their AML obligations, albeit not as familiar as the Bank Association. Particularly, the tax advisors associations are not fully aware of their obligation of comparing the information collected against the BO register and report inconsistencies as detected, as well as the obligation of not relying solely on the information of the BO register.

109. The relevant associations of the private sector, such as the Bank Association, assist their members in complying with their AML obligations, including by promoting awareness and delivering trainings and seminars in co-ordination with the OMLP and other authorities charged with the implementation of the APMLTF.

### **Beneficial Ownership Register and Business Entities**

110. The business entities must identify their beneficial owners (s. 45(1) APMLTF). Business entities include companies (s. 42(1) APMLTF), both domestic and foreign, entities the equity of which is not divided in shares (such as partnerships) (s. 43(1) APMLTF), and foreign trusts, foreign institutions or similar foreign law entities which accept, administer or distribute funds for particular purpose (s. 44(1) APMLTF).<sup>5</sup>

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5. An exception applies to entities which are companies listed on an organised market in which they are obliged to comply with a disclosure requirement that provides suitable transparency of beneficial ownership information as per the legislation of the European Union, or comparable international standards, which are not required to report the data on their beneficial owners (s. 45(8) APMLTF). Slovenia explained that this exception is based on the Interpretive Note to FATF Recommendation 10 related to customer due diligence measures, which indicates that AML-obliged persons are

111. They must also set up and manage precise records of data on their beneficial owners that must be updated upon every change of data (s. 45(4) APMMLTF). The business entities are required to keep the data on their beneficial owners for a period of five years from the day of termination of the beneficial owner's status (s. 45(6) APMMLTF). If the business entity is terminated, a court or authority (either the court register, insolvency administrator or other authorised liquidator, depending on the type of liquidation) managing the termination proceedings or status change of the entity without a known successor must order that the data storage on beneficial owners be provided for the period of five years after the termination of the business entity (s. 45(7) APMMLTF).

112. Moreover, beneficial owners of business entities are bound to provide these business entities with all the data required for the fulfilment of these obligations (s. 45(5) APMMLTF); however, Slovenian authorities indicated that beneficial owners are not obliged to provide this information spontaneously to the business entity, as the obligation to keep the information up to date lies with the business entities. The Slovenian authorities argued that there is no obstacle for the beneficial owner to spontaneously provide the information, but they do not find it appropriate to put this as a mandatory legal requirement, because this would mean that the responsibility of keeping and updating information would be shifted to the beneficial owner(s) and would diminish the responsibility of legal entities.

113. Business entities must submit to the beneficial ownership register the information regarding their beneficial owners within eight days from registration in the court register (or Tax Register) and from subsequent changes of data (e.g. change of beneficial ownership status) (s. 48(3) APMMLTF). However, there is no frequency specified in law to update the information on the beneficial owner.

114. Business entities incorporated or organised prior to the creation of the beneficial ownership register were obliged to provide the information on their beneficial owners within 14 months of the creation of the beneficial ownership register (i.e. within 14 months from December 2017).

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not required to identify and verify the identity of any shareholder or beneficial owner of companies listed on a stock exchange and subject to disclosure requirements. Slovenia confirmed that this should not be interpreted as a blanket exception to identify the beneficial ownership of companies listed in a stock exchange, but applicable solely to entities which otherwise are already subject to disclosure requirements with respect to their beneficial owners. Therefore, the exception seems to be in accordance with the standard. In practice, the OMLP did not provide examples of situations where this exception would apply but argued that it would be up to the business entities to self-assess if they fall within this exception and the authority may review this determination *ex post facto*.

115. Accordingly, all relevant companies are obliged to identify their beneficial owners and report such information to the beneficial ownership register.

116. The information to be identified with respect to the beneficial owners includes name, address of permanent and temporary residence, date of birth, citizenship, beneficial ownership interest or other method of control such as control by other means or senior managing official (s. 150(16)(a) APMLTF), i.e. the same details as the ones gathered by AML-obliged persons.

117. In practice, the FARS and the OMLP are the main authorities charged with overseeing compliance with the obligations of business entities. The private sector seems aware of its obligations, as currently 91% of the business entities have reported information to the BO register. With respect to the 9% of non-reporting business entities, Slovenian authorities has applied sanctions as described in paragraph 147. As some of them are inactive entities, a process of striking them off from the court register is also due to apply as described in paragraph 92.

118. Moreover, the beneficial ownership register is directly connected with the court, tax and central population registers. The interconnection between registries is used to identify potential discrepancies when carrying out audits or verifications. A discrepancy may trigger an investigation from the OMLP, which may also take into consideration discrepancies reported by AML-obliged persons identified during their due diligence.

119. FARS does not conduct audits especially dedicated on beneficial ownership information but reviews this as part of regular tax audits, including the underlying documentation to determine who is the beneficial owner. The tax audits launched by the tax administration are mainly based on (tax) risk. However, *circa* 5% of the audits are random selection. Therefore, the FARS may review BO information even if there is no tax risk detected. In addition, FARS have direct access to the register of beneficial owners, pursuant to articles 51(2) and 152(1)(d) of the APMLTF.

120. As such, Slovenian law requires that beneficial ownership be available in the beneficial ownership register with the business entities (the companies themselves), as well as AML-obliged persons. The information is required to be kept for a period of 5 years, regarding business entities, and 10 years regarding AML-obliged persons, including in case of liquidation. However, as noted in paragraph 129 there are deficiencies that may be detrimental to the availability of up-to-date information.

### Definition and method of identification of the beneficial owner

121. In Slovenia, the same definition and the same method of identification of the beneficial owners apply for both the CDD requirements and the obligation of the business entities to identify their beneficial owners.

122. Article 40 of the APMLTF provides that the beneficial owner is “any natural person who ultimately owns or controls a customer or a natural person on whose behalf a transaction is carried out”. Article 42(1) of the APMLTF provides for the method to identify the beneficial owner of a company:

(1) Pursuant to this Act, a beneficial owner of a corporate entity shall be:

(1) any natural person who:

- is an indirect or direct owner of a sufficient business share, shares, voting or other rights based on which the person participates in the management of the corporate entity; or
- indirectly or directly participates in the capital of the corporate entity with a sufficient share; or
- has a controlling position in the management of the corporate entity's funds;

(2) any natural person who indirectly provides or is providing funds to a corporate entity and on such grounds has the possibility of exercising control, guiding or otherwise substantially influencing the decisions of the management of the corporate entity concerning financing and business operations.

123. Slovenia confirmed that articles 42(1)(1) and 42(1)(2) of the APMLTF should apply simultaneously, i.e. any person meeting such criteria should be identified as beneficial owner.

124. The type of control described under article 42(1)(1)(first and second bullets) are meant to cover “beneficial ownership interest”. Moreover, articles 42(2) and 42(3) provide additional guidance to identify persons with a beneficial ownership interest, particularly by specifying the 25% threshold of ownership interest and that such threshold may be determined considering one or several legal entities under the control of one or several natural persons, which Slovenia confirmed is meant to cover “joint control”. This is in line with the Standard.

125. The type of control described under articles 42(1)(1)(third bullet) and 42(1)(2) of the APMLTF, which Slovenia confirms is meant to cover “control by other means”, expressly only mentions to natural persons having

controlling positions in the management of the funds or indirectly providing funds to a corporate entity.

126. Furthermore, article 42(4) of the APMLFT provides guidance to identify a natural person who has controlling position in the management of a corporate entity's funds, or who in any other way exercises control, guides or substantially influences the decisions of the management of the corporate entity as referred to in article 42(1). The text of article 42(4) is reproduced below (emphasis added):

(4) A natural person who has controlling position in the management of a corporate entity's funds, or who in any other way exercises control, guiding or otherwise substantially influences the decisions of the management of the corporate entity **as referred to in paragraph 1 of this Article, may be determined**, inter alia, on the basis of conditions to be observed by a corporate entity that controls one or several subsidiaries in the preparation of the consolidated annual report as per the Act governing companies.

127. Article 42(4) takes into consideration the relationship between parent companies and subsidiaries, including cases where the parent exercises a dominant influence over the other company or is actually influencing the company or it subordinates the managing of the company (s. 56(2) CA). The reference made in article 42(4) seems to be broader to the one provided in article 42(1) which expressly only mentions natural persons who indirectly provide or are providing funds to a corporate entity.

128. Slovenian authorities explained that, article 42(1)(third bullet) and 41(1)(2) of the APMLTF should be interpreted in a broad manner and not restricted to natural persons having controlling position in the management of the funds or indirectly providing funds to a corporate entity but also to any person that in any other way exercises control, guides or otherwise substantially influences the decisions of the management of the corporate entity. This interpretation seemed to be shared by the representatives of AML-obliged persons during the on-site visit.

129. However, articles 42(1)(1)(third bullet) and 42(1)(2) explicitly define control by other means as natural persons having a controlling position in the management of the funds or indirectly providing funds to a corporate entity, and article 42(4) is only instrumental of article 42(1). As such, control by other means as defined in Slovenian law, is not broad enough to cover control over the legal person through means other than ownership and capital, in accordance with the standard. For example, a natural person exerting effective control by means of an arrangement, other than indirect funding or managing the entity's funds (for instance because of close and



intimate family relationships or historical associations), may not be identified as the beneficial owner in strict application of articles 42(1)(1)(third bullet) and 42(1)(2).

130. In accordance with the APMLTF, if no natural person is identified as the beneficial owner under sections 42(1)(1) or 42(1)(2) of the APMLTF or if doubt arises as to whether such natural persons are the beneficial owners, one or several persons in management positions must be deemed as the beneficial owner(s) of the corporate entity (s. 42(5),(6) APMLTF). In this case, reference is made to “persons” instead of “natural persons” which may derive in a legal person being identified as the beneficial owner (to the extent that entities may hold management positions over another entity), which would not be consistent with the standard as the persons to be identified as beneficial owners should always be natural persons. Slovenia confirmed that strictly speaking, to the extent that an entity holds a management position over another entity, the manager entity could be identified as the beneficial owner by default. In practice, this would not happen for Slovenian Companies as only natural persons can be managers (Article 8 of the Court Register Act); however, it could be the case where a foreign entity is managed by another entity. In any case, the information on the natural person that is the legal representative of the entity would be available on the court register in accordance with Article 8 of the Court Register Act, including for foreign entities with sufficient nexus to Slovenia. Slovenian authorities confirmed that, in practice, the legal representative of the entity should be part of the senior management. Therefore, Slovenia should monitor and ensure that, in practice, where no natural person meets the definition of a beneficial owner, the identification of the senior managing official as the beneficial owner is made in accordance with the standard (see Annex 1).

131. As such, the APMLTF does require that beneficial ownership information of all relevant companies is available for a period of at least five years. However, certain deficiencies exist with respect of the method to identify the beneficial owners of companies, which could be detrimental to the availability of accurate and reliable beneficial ownership information. Particularly, there may be cases where the beneficial owners of a company are not identified in instances where a person exerts control by means of an arrangement, other than indirect founding or managing the entity’s funds.

132. Considering the text of the law and the aforementioned deficiencies, **Slovenia is recommended to ensure that the identification of beneficial ownership information of companies is made in accordance with the standard.**

## Nominees

133. The Slovenian law does not expressly provide for the possibility of nominee shareholding or nominee directorship. In addition, only the person registered in the shares register as the shareholder is considered to be the legal owner of the share (s. 235(2) CA). As previously mentioned, all shares issued by Slovenian companies must be issued in a dematerialised form and registered in the shares register. As such, in any case, only the legal owner of shares issued by Slovenian companies will be recorded in the shares register.

134. Therefore, nominees would not be recorded in the case of Slovenian companies.

## Beneficial ownership information – Enforcement measures and oversight

135. The beneficial ownership register is managed by AJPES. Slovenia informed that no initial verification is carried out by AJPES (or another public authority) concerning the adequacy and accuracy of the information submitted to the beneficial ownership register. The accuracy of the information is verified *ex post* by the supervisory authorities and through discrepancy reports received from AML-obliged persons. The AJPES representative informed that the statistics on the number of business entities that reported their senior manager as their beneficial owner may be used as part of the risk assessment to identify weaknesses in the due diligence procedures.

136. In accordance with article 178(1)(13) of the APMLFT, failing to keep data and documentation acquired with regard to determining the beneficial owner may be fined from EUR 12 000 to EUR 120 000. Additionally, the responsible person of the company may also be fined from EUR 800 to EUR 4 000.

137. Furthermore, individuals who are beneficial owners failing to provide the requested information to the business entity may be penalised with a fine between EUR 400 to EUR 2 000. This sanction is applied by the OMLP, after the relevant business entity reports the failure of its beneficial owner to provide the information. This sanction only applies to the beneficial owners but not interposed persons (e.g. legal owners that are not beneficial owners) preventing to identify the information on the next level in the ownership chain. These sanctions have not yet been applied.

138. Moreover, with respect to the AML-obliged persons, pursuant to the Article 179 of the APMLFT, supervisory authorities can apply fines for failure to comply with the obligations of the APMLFT, as follows:

- between EUR 6 000 and EUR 60 000 on legal persons and arrangements

- between EUR 2 000 and EUR 20 000 on a sole trader or self-employed person
- between EUR 400 to EUR 2 000 on the responsible person of a legal entity, the responsible person of a sole trader or a self-employed person.

139. The OMLP and the Bank of Slovenia are the principal authorities charged with monitoring compliance with record keeping obligations by the majority of AML-obliged persons such as banks, saving banks and other payment institutions (s. 152(1)(a),(b) APMLTF). Other authorities include the Bar Association of Slovenia, as well as the Chamber of Notaries of Slovenia, which, in co-ordination with OMLP, oversee lawyers and notaries, respectively, as AML-obliged persons under the APMLTF. The supervision activities carried out by those other authorities mainly include education and awareness activities, including trainings, and issuance of guidance. They can also carry out inspections of their members, usually in co-ordination with the OMLP. For instance, the Chamber of Notaries carried out, with the OMLP, 7 inspections of notaries in 2021. At the time of the onsite visit, the Bar Association had not started its inspections activities, but it indicated that a pilot project for carrying out supervision on random checks was in preparation.

140. The FARS is also a supervisory authority for purposes of the APMLTF charged with overseeing compliance with the obligation of business entities (s. 152(1)(d) APMLTF) in co-ordination with the OMLP.

141. The table below shows the warnings issued by the OMLP in connection with breaches of beneficial ownership information obligations, as well as verifications during the general AML inspection procedures of AML-obliged persons. In 2018 and 2019, all the verifications were done on-site (by conducting interviews with AML responsible staff and reviewing underlying documentation), in 2020, 50 were done on-site and 103 off-site (by reviewing documentation available on-line and attaining the documentation from the inspected entities), in 2021 all were done off-site due to covid-19 situation.

Year	Warnings in connection with breaches of beneficial ownership information obligations	Verifications during the general AML inspection procedures of AML-obliged persons
2018	17	73
2019	47	63
2020	1 (and 3 official notices)	153
2021	11	71

142. Warnings are issued where the identified breaches are remedied during the procedure.

143. Moreover, Slovenia informed that over the years 2019 to 2021, the OMLP received 63 communications from AML-obliged persons indicating that the information entered into the beneficial ownership register was not consistent with the information obtained by them during their due diligence. Slovenia further confirmed that such information was used to carry out compliance activities.

144. Following the onsite visit, Slovenian authorities mentioned that 9% of all discrepancies were detected in the non-financial sector. This represents six reports in three years. However, during the onsite visit, AML-obliged persons other than banks were not aware of their obligation to report to the OMLP discrepancies between the beneficial ownership register and the information obtained by them during their due diligence.

145. Following the implementation of the beneficial ownership register, the FARS launched a programme designed to increase compliance with registration by promoting awareness, issuing nudge letters and sanctions where applicable. As a result of the programme, the registration of business entities increased from 71% to 91%.

146. Currently, FARS does not carry out audits specially targeted with respect to beneficial ownership information but reviews such information in the context of certain tax audits. During the peer review period, FARS conducted 254 supervisions including the accuracy of the information in the beneficial ownership register and discovered 12 violations that resulted in 6 sanctions.

147. The FARS has also imposed 587 sanctions for failure to comply with the registration of information into the beneficial ownership register (277 on legal persons and 310 on their responsible persons) for a total of EUR 1 773 200 in fines. These sanctions were largely issued in the context of the programme described in paragraph 145; however not all entities not registered in the BO register were sanctioned. This is because the legal basis to sanction entities incorporated or organised prior to the creation of the beneficial ownership register were not provided in law until 24 June 2020. Moreover, prioritisation was given on imposing fines on obliged entities that were not small or inactive entities.

148. Out of the 587 sanctions, 225 are standing sanctions with no appeals (amounting EUR 666 800 in fines), 362 sanctions were subject to appeals, where in 211 proceedings instead of a fine, a sanction of caution was imposed and in 68 cases the minor offence proceedings were stayed. 86 proceedings are *sub judice*.

149. The Bar Association, which is also a supervisory authority for purposes of the APMLTF, with respect to lawyers has, in accordance with article 152(1)(g) of the APMLTF, independently issued recommendations or guidelines regarding the implementation of individual provisions of the APMLTF by lawyers and law firms. The Bar is already carrying out remote inspections through surveys and telephone interviews.

150. Moreover, relevant associations of AML-obliged persons, including the Bank Association, accounting associations and auditors associations assist their members in complying with their obligations under the APMLTF, including by raising awareness and delivering trainings and seminars in co-ordination with the relevant authorities.

151. The above information shows that FARS, the OMLP, as well as other authorities (e.g. the Bar Association) are already carrying out compliance and enforcement activities, issuing sanctions where applicable. For example, the activities taken by the FARS have a drastic impact in the increase of compliance with submitting information to the BO register.

152. Moreover, the AML-obliged persons are familiar with their AML obligations. Particularly the Bank Association seems well aware of the obligations of its members and constantly promote awareness and delivers trainings and seminars in co-ordination with the authorities. Other AML-obliged persons, e.g. the tax advisors associations do not seem as familiar with their AML obligations; however, this may be mitigated by the fact that more than 95% business entities engage in business relationships with banks (which seem well aware of their AML obligations).

153. Slovenian legal framework does require beneficial ownership information to be up to date by:

- imposing the obligation on the business entity to update the information on event basis
- imposing the obligation on the beneficial owners to provide business entities with all the data required for the fulfilment of its obligations
- imposing the requirement on AML-obliged persons to update the CDD file (at least every five years for active customers) and report identified inconsistencies with the beneficial ownership register to the OMLP. In total, 9% of such inconsistencies were reported by entities in the non-financial sector and 91% by the financial sector, as noted in paragraph 144.

154. However, in practice:

- It may be difficult for a business entity to know if there is a change of beneficial owner if there is no change in legal owners, and therefore complying with the update obligation on event basis. Moreover, there

is no requirement to periodically update or validate the information held in the BO Register.

- The beneficial owners are not required to provide the relevant information to the business entities spontaneously but only upon request as the obligation to keep the information up to date lies with the business entity. However, it may be difficult for the business entity to make such requests, e.g. in the case described above.
- Not all business entities engage in ongoing business relationships with AML-obliged persons. As indicated in paragraph 106, it remains unconfirmed whether non-financial entities are updating the beneficial ownership information at a specified frequency. In addition, non-financial AML-obliged persons are not adequately aware of their obligations to report discrepancies that they may observe while conducting their own customer due diligence as noted in paragraph 144.

155. As such, Slovenia has a beneficial ownership register in place which is a key source of beneficial ownership information. Although legal entities and arrangements must update the central beneficial ownership register on event basis, the system in place does not ensure that, in practice, changes of beneficial ownership are brought to their attention as beneficial owners are not required to provide the relevant information to the business entities spontaneously and there is no requirement to periodically update or validate beneficial ownership information held in the register. This deficiency is not adequately compensated by the obligation of AML obliged persons to report discrepancies that they may observe while conducting their own customer due diligence, as it is not mandatory to engage an AML-obliged person in Slovenia and non-financial AML-obliged persons are not adequately aware of such obligation to report discrepancies. Furthermore, it remains unconfirmed whether non-financial AML-obliged persons are aware of and effectively implement guidance that requires updating beneficial ownership information in accordance with the standard. As such, up to date beneficial ownership information may not be available in all cases. Therefore, **Slovenia is recommended to ensure that up to date beneficial ownership information is available with respect to all relevant entities and arrangements.**

### *Availability of legal and beneficial ownership information in EOI practice*

156. During the peer review period, Slovenia received 47 requests regarding legal and beneficial ownership information<sup>6</sup> and sent the responses for all requests.

6. Existing statistics do not distinguish requests for legal and beneficial ownership information.

157. Peers are generally satisfied with the responses provided by Slovenia and no concern was raised by peers regarding the availability of legal and beneficial ownership information nor was detected during the peer review.

### **A.1.2. Bearer shares**

158. Shares may be issued as registered shares or bearer shares (s. 175(1) CA) but all shares must be issued in a dematerialised form (s. 182(1) CA). A company is required to file an application for the issue of shares in dematerialised form with the CSCC within 15 days of the date on which the conditions for filing the application are fulfilled (s. 182(2) CA).

159. The CSCC is a central register containing a designation of the share as a registered or bearer share (s. 4(1)(3) BESA). The information on the shareholder and on any transfer of the share is recorded regardless of whether the share is a bearer share or a registered share (ss. 3, 6, 16 and 22 BESA). Therefore, the central register contains full identity information on the owners of bearer shares.

160. Owners of bearer shares can only exert their corporate and economic rights towards the company by obtaining a certificate from the CSCC stating the number of shares owned and their class, as well as an indication of the entitlement(s) in respect of which the certificate is issued (s. 67 BESA).

161. Furthermore, Slovenia confirmed that the obligation to identify the beneficial owner of legal persons under the APMLTF is equally applicable to business entities even if they are companies having issued bearer shares and/or if in the chain of ownership of the business entity (legal person or legal arrangement) there is one or more legal persons having issued bearer shares.

162. As such, although it is legal to issue dematerialised bearer shares pursuant to Slovenian domestic provisions, the domestic requirements ensure that the legal and beneficial ownership information (the identity of the shareholder) is available to the government via the CSCC.

163. As at 14 October 2021, 15 issuers have issued 17 bearer shares, which are duly recorded in the CSCC.

164. During the review period, Slovenia did not receive any request for information related to bearer shares.

### **A.1.3. Partnerships**

#### *Partners information and Identity information*

165. Under the CA, Slovenian partnerships are legal persons (s. 4(1) CA) and thus, may own movable and immovable property, acquire rights, assume obligations, and file actions or have actions filed against them (s. 4(2) CA). Partnerships may be formed as unlimited companies or as limited partnerships (s. 3(2) CA). The main characteristic of partnerships are as follows:

- Unlimited company is formed by two or more persons who assume liability for the company's obligations with all their assets (s. 76(1) CA). If the company fails to fulfil an obligation to a creditor upon written request, all the members are jointly and severally liable (s. 100(1)CA). It is formed by means of a contract of partnership between the company members (s. 76(2) CA). As at 31 March 2021, there were 428 unlimited companies registered.
- Limited Partnerships: is a company formed by two or more persons in which at least one of the members is liable for the obligations of the partnership with all of their assets (a general partner) while at least one member is not liable for the obligations of the partnership (a limited partner) (s. 135(1) CA). Limited partners are only liable to creditors for the obligations of the company up to the amount of the unpaid sum which they would have to pay in accordance with the memorandum of association (s. 145) CA). It is formed by means of a memorandum of association (s. 137 CA). As at 31 March 2021, there were 243 limited partnerships registered.

166. Moreover, as described in section A.1.1 foreign entities carrying on business in Slovenia or otherwise having income or deductions for tax purposes, are also required to register in both the court register and the tax register, and provide their legal ownership information.

167. The main difference with companies under section A.1.1 is that in partnerships, at least one of the partners has subsidiary liability to creditors for the obligations of the partnership with all their assets. As such, partnerships, including foreign partnerships, are subject to the same disclosure requirements, oversight and enforcement measures as companies with respect to legal ownership information under the CA and the Tax law as described in section A.1.1 of this report, except for BESA obligations since they do not issue shares.

168. The information regarding the partners of a partnership is required to be reported to the court registry maintained by AJPES within 15 days of the formation of the partnership or within 15 days following any change or update on the legal ownership information of the partnership.



### *Beneficial ownership*

169. The obligation of AML-obliged persons to identify the beneficial owners of their customers, as described in Section A.1.1 of this report, also applies to customers which are partnerships. Furthermore, business entities the equity of which is not divided in shares (i.e. partnerships) (s. 43(1) APMLTF) are also obliged to identify their beneficial owner and report the information to the beneficial ownership register. As such, the obligations to identify and update the information on beneficial owners of partnerships are equally applicable as the ones described for companies in Section A.1.1 of this report. Therefore, this section will focus on the method to identify the beneficial owner of partnerships. Moreover, partnerships are also subject to the same enforcement and oversight as companies (described in Section A.1.1), and therefore, the **recommendation included in paragraph 155** is also applicable to partnerships.

170. Slovenian authorities confirmed that partnerships incorporated under Slovenian law are considered fully legal persons and, therefore, must be analysed under article 42 of the APMLTF that governs the identification of the beneficial owner for legal persons.

171. As previously mentioned, the identification of the beneficial owner under article 42(1) of the APMLTF covers beneficial ownership interest (in accordance with the standard), as well as control by other means (which expressly only mentions persons managing the funds of the entities or providing indirect financing to the entity and, thus, not as broad as required by the standard). Both methods of control applies simultaneously rather than as a “cascade approach”. When no beneficial owner is identified under such methods, the senior managing official will be considered as the beneficial owner.

172. Considering the structure and governance framework of partnerships the beneficial ownership method limited to a threshold (e.g. 25%) is not appropriate to identify the beneficial owner of partnerships; (e.g. where decisions are taken by unanimity, in which case all partners should be considered beneficial owners). This deficiency might be mitigated by the fact that “control by other means” applies simultaneously to the beneficial ownership interest test. However, control by other means as defined in article 42(1)(third bullet) and 42(1)(2) of the APMLTF expressly only mentions persons managing the funds of the entities or providing indirect financing to the entity and, thus, not in accordance with the standard (see para 125 to 129). **Therefore, Slovenia is recommended to ensure that the identification of beneficial owners of partnerships is made in accordance with the standard and that the information is available.**

173. With respect to foreign partnerships, under article 43 of the APMLTF for business entities in which participation in management based on a

business share, share or participation in capital is not possible, any natural person representing such an entity should be considered as the beneficial owner, unless otherwise considered.

174. This definition is not consistent with the standard as the fact that a natural person may legally represent a partnership should not be the only indication that a natural person is the beneficial owner of a partnership. Slovenian authorities conveyed that the reference to “unless otherwise determined” should be understood and interpreted as a reference to the method to identify the beneficial owner of corporate entities as provided in article 42(1) of the APMLTF and, therefore, the natural persons with a beneficial ownership interest or exerting control by other means should also be identified. However, there is no explicit reference to article 42(1) of the APMLTF nor any binding guidance confirming this interpretation. As such, it is not clear that such interpretation will be consistently applied. Moreover, even if this interpretation were to be consistently applied, beneficial ownership interest may not be appropriate to determine the beneficial owner of partnerships (e.g. where decisions are taken by consensus) and control by other means as defined in article 42(1)(third bullet) and 42(1)(2) of the APMLTF expressly only mention persons managing the funds of the entities or providing indirect financing to the entity and, thus, not in accordance with the standard (see para 125 to 129).

175. Slovenia communicated that, in any case, article 40, which provides for the general definition of beneficial owner, should still apply and, therefore, the natural person who ultimately owns or controls the partnership should always be identified. Nevertheless, considering the text of the law and the aforementioned deficiencies, **Slovenia is recommended to ensure that the identification of beneficial ownership information of partnerships is made in accordance with the standard.**

### *Availability of partnership information in EOI practice*

176. During the peer review period, Slovenia received 47 requests regarding ownership information and sent the responses for all requests. Slovenia confirmed that there were no separated statistics for companies and partnerships considering that, under Slovenian Law, both companies and partnerships form together a broader category of legal persons.

177. Peers were generally satisfied with the responses provided by Slovenia with respect to beneficial ownership information and no concern was raised by peers regarding the availability of beneficial ownership information nor was detected during the peer review.

#### **A.1.4. Trusts**

178. Slovenian domestic law does not contemplate the concept of trusts. Slovenia is also not a signatory to the Hague Convention on the Law Applicable to Trusts and their Recognition. However, there are no restrictions for a resident of Slovenia (other than a notary) to act as a trustee or administrator of a trust formed under foreign law.

#### *Requirements to maintain identity and beneficial information in relation to trusts and implementation in practice*

179. As trusts are not contemplated under Slovenian law, generally speaking, they would not be subject to obligations under Slovenian law. However, in cases where a foreign trust has sufficient nexus with Slovenia (e.g. because the trustee is a Slovenian resident or because the trust has a real estate in Slovenia), the APMLTF provides for the availability of identity information in relation to participants in the trust because of the relationship with an AML-obliged person or because of the obligation to file information to the Beneficial Ownership Register.

180. First, legal and natural persons conducting business such as trust and company service providers are considered AML-obliged persons for AML purposes. Providing trust and company services include the person acting as, or arranging for another person to act as, a trustee of a trust (s. 3(34)cd CA). Slovenia confirmed that the fact that the trustee is an AML-obliged person, for being considered as providing trust and company services, would need to be determined in a case-by-case basis. Professional trustees of foreign trusts are AML-obliged persons in Slovenia and must keep information on the beneficial ownership of the trusts they manage. Information must also be kept by AML-obliged persons when they have a trust or trustee as customer or in the ownership chain of a customer. In addition, since 2020, trustees of foreign trusts have the obligation to report beneficial ownership to the central BO register of Slovenia.

181. Second, business entities, which include foreign trusts,<sup>7</sup> are required to determine and keep the information on their beneficial owner(s) (s. 44(2) APMLTF) and enter the data to the beneficial ownership register. This obligation entered into force on 24 June 2020 for trusts. The information must be reported within eight days from (i) registration in the court registry, (ii) the registration of the trustee's permanent residence in Slovenia, or (iii) if the trustee is not resident in Slovenia, the entry into a business relationship or the entry of the acquisition of the property right to a real

7. "The same applies to foreign institutions or similar foreign law entities which accept, administer or distribute funds for particular purpose" (s. 44(1) APMLTF).

estate into the land register (s. 48 APMLTF). For trusts organised prior to the creation of the BO register, the information must have been provided for the first time within six months from the entry into force of the obligation (i.e. 24 December 2020).

182. In such regard, under article 45(2) of the APMLTF, the trustee of a foreign trust, either professional or non-professional, would be required to obtain and report the information on the beneficial owners of the trust, where the trustee or person with an equivalent position has its registered office of residence in Slovenia. As such, a legal person or a natural person in Slovenia acting as a trustee of a foreign trust may be considered as an AML-obliged person under the APMLTF.

183. As for companies and partnerships, foreign trusts are required to keep the data on their beneficial owners for a period of five years from the day of termination of the beneficial owner's status (s. 45(6) APMLTF). The APMLTF indicates that if the "business entity" is terminated, a court or authority (either the court register, insolvency administrator or other authorised liquidator, depending on the type of liquidation) managing the termination proceedings or status change of the entity without a known successor must order that the data storage on beneficial owners be provided for the period of five years prior to the termination of the business entity (s. 45(7)). For example, in the case of the liquidation of a legal person that is resident in Slovenia and that is the trustee of a foreign trust, before the liquidation of such legal person, the court managing the liquidation procedures must order that the data storage on beneficial owners be provided for the period of five years after to the termination of the business entity.

184. In conclusion, although Slovenian domestic law does not recognise the concept of trust, where a Slovenia resident acts as trustee of a foreign trust:

- The Slovenian resident acting as trustee may be considered as an AML-obliged person under the AMLPF, if it would be considered that the trustee is rendering "company services". In such a case, the trustee must identify the beneficial owners of its customers.
- Other AML-obliged persons entering into business relationships with the trust are obliged to identify the beneficial owner(s) of their customer.
- The trust is considered as a business entity obliged to identify and keep the information regarding its beneficial owners and report such information to the beneficial owner register.

185. Accordingly, Slovenian domestic law requires that information regarding the beneficial ownership of trusts is available where the trustee is a resident in Slovenia.

186. The standard requires that the persons to be identified as beneficial owners of trust should be:

- the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries
- any other natural person exercising ultimate effective control over the trust

187. For other types of legal arrangements, the beneficial owner should be the natural persons in equivalent or similar positions.

188. Article 44 of the AMPLTF provides that the beneficial owner of a foreign trust, foreign institution or similar foreign law entity which accepts, administers or distributes funds for particular purposes would be:

- any natural person who is a founder, trustee, beneficiary or protector
- a category of persons in whose interest the foreign trust, foreign institution or similar foreign law entity has been established and operates, where the individuals that benefit from the foreign trust, foreign institution or similar foreign law entity have yet to be determined
- any other natural person who through direct or indirect ownership or other type of control exercises ultimate control over a foreign trust, foreign institution or similar business entity established under foreign law.

189. The third category, together with the reference to natural persons in the first category, ensures the application of a look-through approach in the case where the settlor, trustee, protector or beneficiary of the foreign trust would be a legal entity or a legal arrangement.

190. Said provision is consistent with the standard. Therefore, Slovenian law provides for the availability of beneficial ownership information with respect to foreign trusts and similar foreign arrangements for at least five years.

### *Oversight and enforcement*

191. The oversight and enforcement measures apply equally for foreign trusts as for companies as described in section A.1.1 of this document, particularly, **the recommendation made in paragraph 155.**

192. Slovenia confirmed that, as of the end of the peer review period, no foreign trust has been registered in the beneficial ownership register.

### *Availability of trust information in EOI practice*

193. During the peer review period, Slovenia did not receive any request for information with respect to trusts.

#### **A.1.5. Foundations**

194. The Standard requires the availability of legal and beneficial ownership and identity information of relevant entities and arrangements, including foundations, deemed relevant in the case of the specific jurisdiction assessed. As such, a case-by-case analysis needs to be carried out in order to determine if, considering the specific context of the assessed jurisdiction, foundations would be relevant for purposes of the Peer Review.

195. Foundations in Slovenia are regulated by the Foundations Act (FA). Foundations are only allowed to serve beneficial or charitable purposes (s. 2 FA). The purpose of a foundation is beneficial if the foundation has been established for purposes in the fields of science, culture, sport, education and training, health care, child and disabled care, social welfare, environmental protection, conservation of natural resources and cultural heritage, or for religious purposes and similar. The purpose of a foundation is charitable if it has been established for the purpose of helping persons who are in need of such help. The ministry whose area of competence includes the purpose for which the foundation has been established is responsible for giving its consent to the Deed of Establishment of the foundation.

196. A foundation may not be created to benefit named individuals or only members of a family (s. 2 FA).

197. The income of a foundation should be spent exclusively for the implementation of the purpose and the operation of the foundation (s. 27 FA). Moreover, foundations are not taxable persons.

198. As such, foundations can only be established for certain specified beneficial purposes, cannot benefit named individuals or families, and prior to its incorporation it requires the authorisation of a governmental agency, which implies that the aforementioned requirements will be reviewed *a priori*.

199. Therefore, considering the specific context of Slovenia, foundations are not relevant for purposes of the Peer Review.

## A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

200. The 2014 Report concluded that all relevant legal entities and arrangements are required to keep accounting records, including the underlying documentation thereof for a period of, at least, five years. The legal and regulatory framework was considered to be in place and Slovenia was rated as Compliant to the standard.

201. This sound legal framework continues to be in place in Slovenia, and implemented and enforced well in practice.

202. Peers are generally satisfied with the responses provided by Slovenia to requests for information regarding accounting records and no issue in practice was identified during the peer review.

203. The conclusions are as follows:

### Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Slovenia in relation to the availability of accounting information.

### Practical Implementation of the Standard: Compliant

The availability of accounting information in Slovenia is effective.

#### A.2.1. General requirements

204. The standard requires that Jurisdictions ensure that reliable accounting records are kept for all relevant entities and arrangements. Accounting records should (i) correctly explain all transactions, (ii) enable the financial position of the Entity or Arrangement to be determined with reasonable accuracy at any time and (iii) allow financial statements to be prepared.

205. The standard is met by a combination of corporate, accounting and tax laws requirements. The various legal regimes and their implementation in practice are analysed below.

#### *Corporate and accounting law*

206. All companies and partnerships are required to keep books of account and close them once per year in accordance with the Slovenian Accounting Standards or International Financial Reporting Standards, and

prepare an annual report after the closure of accounts for a financial year (s. 54(1) CA). Companies and partnerships are required to keep books of account in accordance with the double entry book keeping and use the chart of accounts for the general ledger adopted by the Slovenian Institute of Auditors in agreement with the ministers responsible for the economy and finance (s. 54(3) CA).

207. The annual report must be drawn up in a clear and transparent manner and provide a true and fair presentation of the assets and liabilities of the entity, its financial position and profit and loss account (s. 61 CA). It must at least contain a balance sheet, a profit and loss statement and annexes with notes to the financial statements (s. 60(1) CA).

208. Companies and partnerships are required to submit their annual report to AJPES (s. 58(1),(2) CA). The annual reports of large and medium-sized companies, as well as companies the shares of which are publicly traded must also be audited (s. 57 CA).

209. In any case, companies and partnerships are required to lay out their balance sheets segregating, among others, non-current and current assets, equity, long-term and short-term liabilities (s. 65(1) CA). The statement of profit and loss shall include, at least, the net turn over, operating income and operating expenses, other income and other expenses (s. 66(1) CA).

210. Similar rules on keeping books of account and records apply to branches of foreign entities conducting business in Slovenia, whether they are tax resident in Slovenia or not (s. 680(2) CA). Partnerships are also subject to similar rules on keeping accounting records (s. 53(3) CA).

211. As such, the CA requires that companies and partnerships, including foreign companies and partnerships conducting business in Slovenia, keep accounting records that provide a true and fair presentation of the assets and liabilities of the entity and enables the preparation of financial statements.

212. In practice, each year companies and partnerships submit their annual report, including at least the basic financial statements of the previous year and annexes with notes to the financial statements. Such information is maintained by AJPES and the tax administration has direct access to it.

213. All legal entities not keeping books of account in accordance with another act (most notably, the CA) must keep books of account and prepare annual reports under the Accounting Act (AA) (ss. 1 and 2 AA). Such entities must prepare financial statements and operations reports for the financial year that must coincide with the calendar year (s. 11 AA).



214. The financial statement must present a true and fair value of assets and liabilities, revenues and expenses and profit or loss, and shall comprise the balance sheet and the profit and loss statement (s. 20 AA). An annual report must also be prepared and must contain, in addition to the financial statement, notes to the financial statement and a business report (s. 21 AA).

215. As such, all companies and partnerships, including foreign companies and partnerships conducting business in Slovenia, would be required to keep accounting records under the CA, however, as a backstop provision, entities that are not obliged under the CA will be required to keep books of account and prepare annual reports under the AA.

216. As trusts are not recognised under Slovenia's law, there are no accounting rules specifically applicable to foreign trusts for corporate or accounting law purposes, although the accounting information for foreign trusts is available under Tax law (see below).

### *Tax Law*

217. All persons that are required to keep books of account and records in accordance with any non-tax law are automatically obliged to keep such documentation for tax purposes in such a way that it enables that person's taxes to be assessed and paid (s. 31(1) TPA). As every entity is required to keep accounting records under either the CA or the AA, in practice, any entity would be required to keep books of account and records for tax purposes.

218. As a backstop provision, persons who are not required to keep books of account and records under non-tax provisions must keep at least the books of account and records as prescribed by the minister responsible for finance, which includes basic financial statements required from individual entrepreneurs (s. 31(1) TPA).

219. Article 357 of the TPA further specifies that the tax return must include, among others, the profit and loss statement, the balance sheet and the capital flow statement.

220. As noted in the 2014 Report (paragraph 170), although Slovenian law does not recognise the concept of "trusts", a trustee that is resident in Slovenia will generally be required to maintain records in respect of all transactions in relation to the trust and substantiate the value of assets in order to meet tax requirements. Failure to keep appropriate accounting records would lead to consider that the trustee is taxable for the income generated by the trust.

221. Therefore, the AA, CA, and TPA ensures that all relevant entities are required to keep accounting records that provide a true and fair presentation of the assets and liabilities of the entity and enables the preparation of financial statements.

### *Location of the accounting records*

222. Accounting information may be kept abroad, provided that the tax authorities are notified, and the information must be provided to the tax authorities in Slovenian territory upon request (s. 32(3) TPA). Although not specified by law, the Slovenian authorities confirmed that this notification would include the name of the country and address where the accounting records are held. Moreover, Slovenian authorities confirmed that it is not required by law for an individual, with the power to access the accounting records, to be in Slovenia. Finally, the failure to provide the accounting records to the tax authority leads administrative fines as described in paragraphs 239 and 240, as well as consequences on the tax assessment and tax situation of the entity. Slovenian authorities informed that, in order to enforce the administrative sanctions (e.g. fines) and collect tax claims, Slovenia would invoke the administrative assistance agreements, e.g. for service of documents and recovery of tax claims. Moreover, the requested person may be subject to criminal prosecution under article 249 of the Criminal Act.

223. As such, Slovenia law requires the availability of accounting information, even if such information is kept abroad, as the tax authorities should be aware of this circumstance (as they should be notified of the fact that the accounting records are held abroad). However, the access to such information would be further analysed in Section B.1.

224. During the onsite visit, Slovenian authorities indicated that 128 entities (i.e. around 0.2% of the total number of companies and partnerships) have submitted such notices.

### *Retention period and Companies that ceased to exist*

225. Under corporate law, companies are required to keep the books of account, the balance sheet, the profit and loss statements, the annual report and the business reports permanently (s. 54(6) CA).

226. Moreover, under tax law, the books of account and records are required to be kept until the expiry of the absolute statute of limitations of the right to recover the tax to which they refer (s. 32(1) TPA). The statute of limitation to assess taxes is five years from the day when the tax should have been declared, charged, withheld and assessed (s. 125(1) TPA) and the right to recover tax shall be time-barred in five years from the day on which the tax should have been paid (s. 125(1) TPA).

227. Thus, the accounting records should be kept for at least five years and up to ten years in accordance with tax provisions.

228. Legal persons and legal arrangements that cease to exist or the person's legal successor is required to, upon cessation, notify the tax authorities of the place and/or keeper of the documentation (s. 125(1) TPA). The keeper of the information is not required by law to be located in Slovenia. Where the keeper of the information is located abroad, the analysis made in paragraphs 222, 223 and 224 is applicable.

229. As a general rule, Slovenian law does not foresee for the concept of inactive company nor allows for migration of companies. However, SE can be migrated to another EU-member State without losing its legal personality, in such a case the entity must submit an application for the entry of the intended transfer of the SE's registered office (s. 443(1) CA). Slovenia's law does not specifically require to retain the accounting records in Slovenia after the migration. However, certain accounting documentation, such as financial statements and annual reports, would be available in public records, such as AJPES and the Tax Register. In practice, there is only one SE registered in Slovenia and Slovenia's authorities confirmed that there has not been any migration request.

230. Therefore, Slovenia is recommended to monitor the availability of reliable accounting information, including underlying documentation, for a period of at least five years, even if a SE is migrated to another EU-member State (see Annex 1).

### ***A.2.2. Underlying documentation***

231. Under the standard, the accounting records should include the underlying documentation, such as invoices, contracts, etc. and reflect details of (i) all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases and other transactions; and (iii) the assets and liabilities of the relevant entity or arrangement.

232. Under corporate law, companies are required to keep books of account and close them once per year in accordance with the Slovenian Accounting Standards or International Financial Reporting Standards and prepare an annual report after the closure of accounts for a financial year (s. 54(1) CA).

233. Sections 21 and 22 of the Slovenian Accounting Standards provide details on the obligation to keep underlying documentation, including invoices and contracts. Moreover, Article 31 A of the TPA, also provide for the obligation to keep underlying documentation, such as invoices.

***Implementation in practice, oversight and enforcement of requirements to maintain accounting records and availability of accounting information in EOIR practice***

234. In practice, each year companies and partnerships submit their annual report, including at least the basic financial statements of the previous year and annexes with notes to the financial statements. Such information is maintained by AJPES and the tax administration has direct access to it.

235. The representatives of the private sector interviewed during the onsite visit appeared well aware of their obligations with respect to keeping accounting records.

236. The FARS supervises the obligation to keep accounting records (s. 684(3) CA), whereas the Ministry of Economic Development and Technology supervises the compliance with the requirement to draw up the annual report or the consolidated annual report within the time limits (s. 684(6) CA). Moreover, a third party service provider (s. 57(1) of the CA) must also audit the financial statements of medium and large companies.

237. Although, there are no specific tax audits for verification of keeping accounting records, Slovenia's tax authorities informed that this is part of regular tax audits as accounting records are an essential documentation to assess taxes. This activity of tax audits covers all the relevant entities, including the Slovenian entities that keep their accounting records abroad. The tax audits to be carried out during any given calendar year are planned based on risk assessment but also including a percentage (*circa* 5%) of random selection.

238. Failure to submit the annual report to AJPES can result in a fine ranging from EUR 6 000 to EUR 30 000 on the company and a fine ranging from EUR 300 to EUR 2 500 on the responsible individual (s. 686(1)(2) CA).

239. Failure to comply with accounting record keeping obligations under the AA can result in a fine between EUR 417 and EUR 25 038. In addition, a fine of between EUR 41.73 and EUR 2 086.46 may also be imposed on the responsible person (s. 55 AA).

240. Failure to keep accounts and records until the expiry of the statute of limitations is subject to a fine ranging from EUR 800 to EUR 30 000, depending on the type of entity (s. 397(1)(9) TPA).

241. In practice, where an entity fails to submit two consecutive annual reports, which includes basic information, AJPES would propose to the Ministry of Economic Development and Technology to strike off that entity from the court register, which would prevent the entity from operating.

242. During the review period, the Ministry of Economic Development and Technology imposed sanctions in 323 cases. Out of those, 202 sanctions were imposed on legal entities and 121 on their responsible persons, for a total amount of EUR 175 600. The FARS has imposed 24 sanctions for failure to keep accounts and records until the expiry of the statute of limitations (s. 397(1)(9) TPA) for a total of EUR 17 200 in fines.

243. During the peer review period, Slovenia received and answered 85 requests for accounting information. Peers were generally satisfied with the responses provided by Slovenia and no problems in practice were identified.

### A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

244. The 2014 Report found that domestic provisions require banking information to be available in Slovenia for all account holders and that the supervision performed by the Bank of Slovenia ensures that banking information pertaining to any account holders is maintained by financial institutions. Therefore, the element was considered to be in place and Slovenia was rated compliant.

245. The standard was strengthened in 2016 to require the availability of beneficial ownership information on bank account holders. In Slovenia, the availability of banking information is provided by a combination of corporate and banking law, as well as the Act on Prevention of Money Laundering and Terrorist Financing (APMLTF). Particularly the APMLTF requires the availability of beneficial ownership information on bank account holders.

246. However, certain deficiencies exist with respect to identification of beneficial owners, which could be detrimental to the availability of accurate and reliable beneficial ownership information. Therefore, Slovenia should ensure that accurate and reliable beneficial ownership information is available as required by the standard.

247. The conclusions are as follows:

**Legal and Regulatory Framework: in place, but certain aspects of the legal implementation of the element need improvement**

Deficiencies identified/Underlying factor	Recommendations
The identification of beneficial owners is not entirely in line with the standard as (i) control by means other than ownership expressly only mentions providing indirect financing or managing the funds of the entity and (ii) with respect to entities not divided by shares, it may be interpreted as restricted to the persons designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases.	Slovenia is recommended to ensure that the identification of beneficial ownership information of bank accounts held by entities and arrangements is made in accordance with the standard.

**Practical Implementation of the Standard: Largely Compliant**

No issues have been identified in the implementation of the existing legal framework on the availability of ownership information. However, once the recommendations on the legal framework are addressed, Slovenia should ensure that they are applied and enforced in practice.

**A.3.1. Record-keeping requirements**

248. The standard requires that banking information is available with respect to all account-holders. Banking information should include all records pertaining to the accounts as well as related financial and transactional information, including information regarding the legal and beneficial owners of the accounts.

249. In Slovenia, banking services may only be provided by banks or branches of foreign banks, which obtained authorisation from the Bank of Slovenia or in the case of a branch of a bank of another EU member state, authorisation by the relevant competent authority of that other EU member state (s. 33 Banking Act).

250. Banks, saving banks and other payment institutions are AML-obliged persons under the APMLTF (s. 4(1) APMLTF). As such, said entities are subject to record-keeping requirements with respect to transactional information, as well as identity information of their customers.

251. The Payment Services, Services for Issuing Electronic Money and Payment Systems Act (PSSA) also provides for record-keeping obligations with respect to transaction accounts and transaction account holders (s. 191 PSSA).

### *Availability of transactional banking information*

252. As AML-obliged persons, Banks, Saving banks and other payment institutions are required to conduct due diligence procedures in order to, among others, obtain data on their business relationship and transactions performed by their customers and regularly monitor the business activities undertaken by their customers (ss. 21(2),(3) APMLTF). The records should include, among others:

- the purpose and intended nature of the business relationship, including information about the activity of the customer (s. 150(1)(4) APMLTF)
- the date of entering into the business relationship (s. 150(1)(5) APMLTF)
- the date and time of the transaction (s. 150(1)(6) APMLTF)
- the amount of the transaction and currency in which the transaction is being carried out (s. 150(1)(7) APMLTF)
- the purpose of the transaction and the personal name and permanent and temporary residence or name and registered office of the person/entity to whom the transaction is intended, and the state, to which the transaction was sent (s. 150(1)(8) APMLTF)
- the manner of executing the transaction (s. 150(1)(9) APMLTF).

253. The above information is required to be kept for 10 years after the termination of the business relationship (s. 142(1) APMLTF). In the event of the liquidation of the obliged person, the authority performing the liquidation procedure must inform the OMLP, prior to the liquidation of the obliged person, and ensure that data and corresponding documentation are retained for the corresponding periods (s. 142(3) APMLTF).

254. As such, under the APMLTF, banks are obliged to obtain and maintain the data regarding the identification of its account holders, as well as the transactions performed by such account holders.

255. Furthermore, AJPES keeps a register of transaction accounts and transaction account holders (s. 192 PSSA). For such purposes, pursuant to section 144(2) of the PSSA, banks are required to provide, on a daily basis, the following transaction information:

- name and registration number of the provider keeping the transaction account
- account type mark
- information that the transaction account funds are not sufficient for the implementation of the decision on enforcement or insurance

- account opening date
- account closure date.

256. Such information should be stored in the archives of the register of transaction accounts for five years after the closure of the account (s. 192(9) PSSA).

257. Therefore, the transactional banking information would be available with the AML-obliged persons for at least 10 years following the termination of the business relationship, under the APMLTF, and with the AJPES for 5 years after the closure of the account under the PSSA.

### *Beneficial ownership information on account holders*

258. The standard was strengthened in 2016 to specifically require that beneficial ownership information is available in respect of all account holders. In Slovenia this requirement is foreseen by the APMLTF.

259. As AML-obliged persons, banks, saving banks and other payment institutions are required to conduct due diligence procedures in order to, inter alia, determining the beneficial owner of the customer (s. 31(1), (2) APMLTF).

260. The records should include, among others, the personal name, address of permanent and temporary residence, date of birth, citizenship, beneficial ownership interest (or other method of control) of each beneficial owner. (s. 150(14)(a) APMLTF)

261. As such, in accordance with the APMLTF, banks are obliged to identify and maintain the information regarding the beneficial owner of their clients. As mentioned in A.1.1, the update of the documents and data in relation with the beneficial owner must occur when significant changes in circumstances of the customer are detected, when there is an obligation to check the beneficial ownership information and at least after five years from the last customer due diligence if the customer has effected at least one transaction with the AML-obliged person in the last twelve months (s. 54(4) APMLTF). The Guidance issued for the implementation of the AML requirements by banks requires an update of the CDD at least every 2 years for high-risk clients, 3 years for medium-risk clients and 5 years for low-risk clients. This requirement is consistent with the standard.

262. In such regard, banks, as AML-obliged persons, must store information and documentation obtained in relation to identifying a beneficial owner for 10 years after the termination of a business relationship (s. 142(1) APMLTF). In the event of the liquidation the authority performing the liquidation procedure is required to inform the OMLP, prior to the liquidation of the obliged person, and ensure that data and corresponding documentation are retained for the corresponding periods (s. 142(3) APMLTF).



263. However, as mentioned in section A.1, there are deficiencies on the method to identify the beneficial owner of companies that could be detrimental for the availability of reliable beneficial ownership information. Particularly, there may be cases where the beneficial owners of a company are not duly identified in instances where a person exerts control by means of an arrangement, other than indirect founding or management of the funds of the entity (see paragraphs 129 and 172).

264. Likewise, there are also deficiencies with respect to the method to identify the beneficial owners of partnerships as it may be interpreted as restricted to the natural person designated by law to represent the entity and there is no explicit guidance on how to identify the beneficial owner in other cases (see para 175).

265. As such, considering the text of the law and the aforementioned deficiencies, **Slovenia is recommended to ensure that the identification of beneficial ownership information of bank accounts held by entities and arrangements is made in accordance with the standard.**

266. Concerning foreign trusts holding a bank account in Slovenia, as elaborated in section A.1, the method to identify the beneficial owner of a trust is consistent with the Standard. Therefore, Slovenia law does provide for the availability of beneficial ownership information with respect to foreign trusts and similar foreign arrangements that are account holders.

### *Implementation in practice and oversight and Enforcement and Availability of banking information in EOI practice*

267. In practice, the representatives of the Bank Association interviewed during the onsite visit are largely familiar with their AML obligations with respect to identifying the beneficial owner of their customers. Moreover, the Bank Association, assist their members in complying with their AML obligations, including by promoting awareness and delivering trainings and seminars in co-ordination with the OMLP.

268. The OMLP and the Bank of Slovenia are the authorities charged with monitoring compliance with record keeping obligations applicable to banks, saving banks and other payment institutions (s. 152(1)(a), (b) APMLTF). The OMLP carries out its supervision activities based on a risk approach, as well as a random selection, in the form of desk-based and onsite inspections. The verifications may include reviewing both the policies and procedures implemented by the obliged person, as well as a sample of the underlying documentation and records.

269. Pursuant to the Article 179 of the APMLFT, supervisory authorities can apply fines for failure to comply with the obligations of APMLFT, as follows:

- between EUR 6 000 and EUR 60 000 on legal persons and arrangements
- between EUR 2 000 and EUR 20 000 on a sole trader or self-employed person
- between EUR 400 to EUR 2 000 on the responsible person of a legal entity, the responsible person of a sole trader or a self-employed person.

270. During the review period, the OMLP conducted on-site reviews and issued decisions on measures for remedial action as follows:

Year	On-site reviews	Decisions on measures for remedial action
2018	73	45
2019	63	56
2020	50	46

271. As such, the oversight and enforcement is conducted by the OMLP and the Bank of Slovenia, via on-site or off-site reviews which may derive in decisions on measures for remedial action, as well as, where applicable, monetary penalties for the AML-obliged persons, as well as the responsible persons.

272. During the peer review period, Slovenia received and answered 53 requests for banking information. Peers were generally satisfied with the responses provided and no further issues were identified with respect to availability of banking information in practice.

## Part B: Access to information

273. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

### B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

274. The 2014 Report found that Slovenia's tax authorities had broad enough gathering and compulsory powers to access ownership, identity, banking and accounting information, and such powers were effectively used in practice. The legal and regulatory framework was considered to be in place and Slovenia was rated as compliant to the standard.

275. These broad gathering and compulsory access powers continue to be in place and, where needed, the Slovenia's Competent Authority exercises such powers to obtain and exchange ownership, identity, banking and accounting information pursuant to its EOI instruments.

276. The conclusions are as follows:

#### **Legal and Regulatory Framework: in place**

No material deficiencies have been identified in the legislation of Slovenia in relation to access powers of the competent authority.

#### **Practical Implementation of the Standard: Compliant**

No issues in the implementation of access powers have been identified that would affect EOIR in practice.

### **B.1.1. Ownership, identity and banking information**

#### *Accessing and providing information generally*

277. The Competent Authority of Slovenia is the Ministry of Finance. The Minister of Finance may authorise the Financial Administration of the Republic of Slovenia (FARS) to perform individual tasks of information exchange and to provide assistance on the basis of these EOI instruments. Such written authorisation was granted by means of Article 86 of the Rules on the implementation of the Tax Procedure Act (TPA). As such, FARS (Slovenia's tax authority), and more specifically the Information Exchange Unit, is the delegated Competent Authority for EOI purposes.

278. The FARS officials, including the officials of the Information Exchange Unit, have direct logical access to the internal tax database, including the Tax Register, as well as to the external databases such as the court register, the beneficial owners register, and the shares register.

279. In the cases where the information requested by a foreign partner is not maintained in the accessible databases, the FARS will mainly rely on its access powers provided by the TPA, as well as the Financial Administration Act.<sup>8</sup>

280. Under article 39(1) of the TPA, all persons that are obliged to keep books of account or manage and maintain databases, registers or other records, must provide the tax authorities with access to all information and enable the authorities to consult the documentation. This obligation applies as far as a person has a record-keeping obligation, regardless of whether this obligation covers the relevant information or not. In accordance with article 39(2) of the TPA, the tax authorities may access the information (i) automatically (in cases where such data provision and the type of data requested is specified by the tax legislation), (ii) upon written request or (iii) *in situ*.

281. As mentioned in Section A.2 of this report, all relevant entities are required to keep books of account and, therefore, are obliged to provide the tax authorities with access to all of the information and documentation they maintain, either upon request or *in situ*. Moreover, other government authorities maintaining registers with information must also provide access to such information to the tax authorities upon request pursuant to article 39(1) of the TPA, if the tax authority has not otherwise a direct access to these registers.

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8. In accordance with Article 8 of the Constitution, a treaty provision is directly applicable and, as per article 2(2) of the TPA, "the tax authority shall proceed in accordance with the TPA when providing assistance in the exchange of information with other EU Member States, or in implementing the international treaties binding upon Slovenia". Accordingly, the domestic access powers provided for in the tax law can also be applied in order to obtain information requested under an EOI instrument.

282. In addition, the FARS can submit a request for the provision of information, documents and other records to any persons who are directly or indirectly involved in transactions or to any other persons who have the required documents or who should have these documents (article 17(2) FAA).

283. Pursuant to article 40 of the TPA, all persons that are obliged to keep books of account are required to provide the tax authorities with the documentation at the disposal of an associated person (i.e. family members and legal persons under the same ownership or management – s 148(3),(4) TPA), that is not established in Slovenia or is not a resident of Slovenia. As such, tax authorities' access powers even go beyond the standard, as tax authorities may access information concerning persons who would ordinarily not fall within a jurisdiction's territorial jurisdiction.

284. Moreover, article 41 of the TPA requires natural persons to submit the data and documentation at their disposal affecting their own tax liability or the tax liability of other persons upon request of the tax authorities. Slovenia's authorities confirmed that this also covers tax liability in foreign jurisdictions.

285. Slovenian law does not foresee for the concept of "legal arrangement" as, under the CA, companies, as well as partnerships and foundations are legal persons. Moreover, foreign entities, legal persons or legal arrangements, registered in the court registry and the tax registry are treated as legal persons. Therefore, the access powers provided in article 39(1) of the TPA would also cover legal arrangements and their representatives if such representatives are also legal persons or legal arrangements. If the representatives of legal arrangements are individuals, the tax authority can exercise its access powers pursuant to article 41 of the TPA.

286. Therefore, the delegated competent authority of Slovenia has broad powers to access and gather information held by entities, individuals, as well as other government authorities. These access powers can be used in both civil and criminal tax matters.

287. In practice, the competent authority exercises its access powers by first obtaining information from accessible government-maintained databases (such as the court register). If the information is not available in such public records, the competent authority generally issues a request for information to the taxpayer or any other individual or entity holding the information. Only in exceptional cases, e.g. if the taxpayer is non-responsive to the request letter, the tax administration will obtain the information *in situ*.

288. In issuing the request for information, the FARS uses a template letter to request the information from the relevant information holder. This template form mentions the domestic legal basis of the request, the relevant questions or requested documents, the modalities for answering the

request and the potential sanctions in the case of failure to comply with the request. The EOI purpose of the domestic request for information is not disclosed. The information holder must reply and provide the information requested through the electronic tax portal (“e-taxes” application). There is no legal timeline to reply to a request from FARS, but usually, the information holder has eight working days to provide the requested information (see paragraph 304).

289. The Information Exchange Unit directly exercises the aforementioned access powers unless the taxpayer holding the information is already being audited or the information requested is complex. In such cases, the auditor assigned to the taxpayer would exercise the access powers to obtain the information and subsequently forward it to the Information Exchange Unit.

### *Accessing legal and beneficial ownership information*

290. As noted in section A.1 of this report, all relevant entities are required to identify and keep the information pertaining to their legal and beneficial owners. Moreover, such entities must keep accounting records, as explained in section A.2 of this report, and must, therefore, provide the tax authorities with access to all information and documentation maintained by them (not only to the accounting records) pursuant to articles 39(1) and (2) of the TPA. Therefore, the tax authority is able to request legal and beneficial ownership information to all relevant entities or their representatives under articles 39(1) and 41 of the TPA. The same legal provision can be used to obtain beneficial ownership information from the AML-obliged persons that have a business relationship with the relevant legal entity or arrangement.

291. Additionally, pursuant to article 152(1)(d) of the APMLTF, the FARS is a supervisory authority for the purposes of said act that includes the obligation of the business entities to identify, maintain and report the information pertaining to its beneficial owners. Therefore, the FARS, as a supervisory authority, may access the beneficial ownership information maintained by business entities.

292. Furthermore, legal and beneficial ownership information is also kept by other governmental agencies maintaining registries, most notably AJPES with the court register (with respect to legal ownership), and the beneficial ownership register, as well as the CSCC with respect to the shares register. Therefore, the tax authorities also have access to such information held by such governmental agencies under article 39(1) of the TPA.

293. Most of the Slovenian government databases are linked, and automatic access is already granted to the tax authorities. All other information that is not already available should be provided upon request, pursuant to

either the TPA or the APMLTF. As such, the FARS have broad powers to access and gather legal and beneficial ownership information either from the entities themselves or from other governmental agencies.

294. In practice, the tax authority would first access the information by consulting governmental databases, and if the information is not enough, would then request the information to the holder pursuant to the TPA or the APMLTF as the case may be.

### *Accessing banking information*

295. Banks must be organised as public limited companies or as European public limited companies (s. 26(1) BA). As banks take the legal form of companies, banks are required to keep accounting books and records in accordance with the CA, as well as the TPA. Therefore, as any company keeping accounting books or other records, banks must provide the tax authorities with access to all information they maintain and enable the authorities to consult the documentation pursuant to article 39(1) of the TPA.

296. Moreover, under article 37(2) of the TPA, payment transaction providers, including banks, are required to send data, upon request, to the tax authorities on the transaction accounts of natural persons and inflows on those accounts for obtaining the data necessary for tax collection.

297. Additionally, banks are required to provide information to other governmental agencies maintaining registers such as the AJPES' Register of Transaction Accounts and Transaction Account Holders. In practice, the FARS, and particularly, the Information Exchange Unit, has direct and full access to such registers kept by other governmental agencies.

298. To populate the Register of Transaction Accounts and Transaction Account Holders, banks must provide the following information to AJPES on transaction accounts on a daily basis (s. 192 PSSA):

- account number
- opening and, if applicable, closing date of the account
- name and registration number of the provider keeping the transaction account
- type of account
- indication as to whether the transaction account funds are not sufficient for the implementation of a decision on enforcement or insurance.

299. The consultation of this information enables the Slovenian tax authority to deal with EOI requests for banking information in the cases where either the bank account number, the bank account holder or the relevant bank are not clearly identified in the EOI request.

300. In practice, the FARS and the Bank Association of Slovenia defined a Common guidance in 2014 that regulates the transmission of data between them and establishes specific timelines for providing each kind of the most frequently requested banking information (e.g. five working days to provide the information on the savings accounts balance). The banking information covered by the Common guidance is exchanged in an automated manner, through a specific electronic system, which allows to communicate promptly with all the Slovenian banks.

301. If FARS requests banking information that is not included in the Common guidance, it sends a request to the relevant bank through the standard channel (“e-taxes” application). The standard response time given for providing this information is 14 working days.

302. Accordingly, the FARS have broad enough and effective powers to access and gather banking information either directly from the banks or from other governmental agencies.

### ***B.1.2. Accounting records***

303. As previously noted, pursuant to article 39(1) and (2) of the TPA, all persons that are obliged to keep books of account must provide the tax authorities with access to all information and documentation held by them. This obligation applies as far as a person has a record-keeping obligation, regardless of whether this obligation covers the relevant information.

304. In practice, the tax authority grants eight days to answer a request for information. If the taxpayer does not answer the request, the tax authority would contact the taxpayer and issue a second request providing eight additional days. Slovenian authorities confirmed that in most cases, the requested persons would comply within this time framework and, in the exceptional cases where they do not, the tax authority would try to obtain the information *in situ* and issue the applicable sanctions described in paragraphs 316 and 317.

305. Therefore, Slovenia's tax authorities have broad powers to access accounting records directly from the relevant entities or individuals.

306. However, the accounting information may be kept abroad, provided that the tax authorities are notified. Although this is not specified by law, the Slovenian authorities confirmed that this notification would include the name of the country and address where the accounting records are held. There



is no obligation for a person in Slovenia to have control of the records kept abroad, but at the request of the tax authorities, the information kept abroad must be submitted in Slovenia's territory (s. 32(3) TPA).

307. During the onsite visit, Slovenian authorities indicated that only 128 entities (i.e. around 0.2% of Slovenian companies and partnerships) have submitted such notices. Slovenia has not received any request for accounting records that were maintained abroad.

308. Similarly, if a legal entity ceases to exist, the person's legal successor must, upon cessation, notify the tax authorities of the place and/or keeper of the documentation. Nevertheless, there is no obligation for the documentation to be located in Slovenia. The legal successor of a legal entity that has ceased to exist can be another legal entity, an individual sole trader or an individual who performs independent activities. If the legal entity has no legal successor, the sanction is imposed on the responsible person of the legal entity. A responsible person is a person authorised to perform work on behalf, for the account, for the benefit, or with the means of a legal person. Slovenia has not received a request for information where the person's legal successor is located outside of Slovenia.

309. As such, under Slovenia's tax law, accounting records may be kept abroad and it is not mandatory for an individual, with the power to access the accounting records, to be located in Slovenian territory. In such cases, it may be difficult for Slovenia's tax authorities to enforce its law and access powers outside its territory, although this situation is not expected to occur frequently and, at least, the tax administration should have been informed in advanced that the information is kept abroad. Slovenian authorities informed that, in order to enforce the administrative sanctions (e.g. fines), they would invoke the administrative assistance agreements, e.g. for service of documents and recovery of tax claims. The Slovenian authorities are confident that they would be able to apply the sanctions provided for in the law in case of breach of these obligations, but the situation has not occurred in practice and the effectiveness of the sanctions could not be tested. Therefore, Slovenia should monitor that effective enforcement measures can be applied to access such accounting records (see Annex 1).

### ***B.1.3. Use of information gathering measures absent domestic tax interest***

310. Article 8 of the Constitution provides that a treaty provision is directly applicable. Article 2(2) of the TPA provides that the tax authority shall proceed in accordance with the TPA when providing assistance in the exchange of information with other EU Member States, or in implementing the international treaties binding upon Slovenia.

311. Therefore, considering that pursuant to Slovenia's domestic legislation, treaty provisions are directly applicable, it is clear that FARS is able to use its information gathering measures provided by the TPA, even absent of domestic tax interest.

312. Moreover, the EOI manual implemented by the Information Exchange Unit expressly mentions that the lack of domestic tax interest should not be a valid reason for declining a request for information. The officials of the Information Exchange Unit interviewed during the onsite visit confirmed that they do not check the existence a domestic tax interest to validate a request.

313. During the review period, Slovenia received 24 requests of information with respect to persons who were not residents in Slovenia and with respect to which Slovenia had no domestic tax interest on. In all cases but one, the information was provided to the requesting jurisdiction. In the one case where the information was not provided, this was due to the data protection rules (see section C.4 below).

314. In practice, no further issues were identified in respect of EOI for which Slovenia had no domestic tax interest and the peers did not raise any issue to that respect.

#### ***B.1.4. Effective enforcement provisions to compel the production of information***

315. The standard requires that the competent authority should have effective enforcement provisions, including sanctions for non-compliance to be applicable for example upon refusal or failure to supply the requested information.

316. Article 397(1)(17) of the TPA establishes that failing to provide or denying access to information contained in records or databases to the tax authorities is a tax offence punishable with a fine within the range of the following amounts:

- between EUR 800 and EUR 10 000, in the case of a sole proprietor or self-employed individual
- between EUR 1 200 and EUR 15 000, in the case of a legal person other than a large or medium sized company
- between EUR 3 200 to EUR 30 000, in the case of a large or medium sized company.

317. Additionally, in accordance with article 397(2) and 397(3) of the TPA, a separate fine ranging from EUR 400 to EUR 4 000 may also be imposed on the individuals responsible of a legal person or an individual.

318. Furthermore, in order to exercise its gathering and enforcement powers, tax inspectors may enter and inspect business premises and inspect and copy books of account, records, contracts and business documents. Tax Authorities are also entitled to seize any relevant documents for a maximum of 30 days (s. 21(1) FAA).

319. As such, it is clear that Slovenia's competent authority may apply effective enforcement provisions to compel the production of information, including not only monetary sanctions on the entity and the responsible person but also the possibility of search *in situ* and seize any documentation in possession or control of the reviewed person. Slovenian authorities confirmed that sanctions would be applied against the responsible persons in the case where the accounting records held abroad are not provided, although they agreed that the enforcement of such sanctions might be more difficult if the responsible person is also located abroad or no longer exists. Nevertheless, the FARS representatives indicated that they never faced such a situation in practice.

320. During the review period, Slovenia received 195 requests for information and obtained and provided the information each time it used its access powers.

321. Therefore, it seems that Slovenia is able to effectively apply effective enforcement provisions to compel the production of documentation for EOI purposes.

### ***B.1.5. Secrecy provisions***

322. The standard requires that jurisdictions do not decline an EOI request on the basis of its secrecy provisions (e.g. bank secrecy, professional secrecy).

#### ***Bank secrecy***

323. Slovenia's domestic legislation does provide for bank secrecy, applicable to banks and its shareholders, employees, officers and contractors. Pursuant to the Banking Act (BA), confidential data is all data, facts and circumstances about a specific client at a bank's disposal (s. 145 BA). A bank is required to safeguard the confidential data, irrespective of the manner in which that data has been obtained (s. 146(1) BA). Shareholders, employees, officers and contractors of a bank may not disclose confidential data to which they have access to third parties, or enable a third party to make use of it, or use it for their own purposes (s. 146(2) BA).

324. However, article 146(3) of the BA provides for the exceptions to the bank secrecy, including cases where the law expressly sets out the bank's

obligation with regard to the forwarding of confidential data on a specific client (s. 146(3)(8) BA). In turn, article 39(1) of the TPA requires that all relevant entities, including banks, provide the tax authorities with access to all information held by them and enable the authorities to consult the documents. Accordingly, pursuant to article 146(3)(8) of the BA in connexion with article 39(1) of the TPA, tax authorities are able to access bank information regardless of bank secrecy.

325. The representatives of the banking sector confirmed that there is no doubt on the exception to bank secrecy when the request is made by the FARS. They further confirmed that there is no distinction when the request is made for domestic purposes and when the request is made for EOI purposes, as the EOI purpose of the domestic request is not disclosed. Moreover, the representatives of the banking sector confirmed that there is no legal obligation, and it is not a general practice, to communicate to the account holder that the bank has received and replied to a request for information.

326. During the review period, Slovenia received 53 requests relating to banking information and collected it each time it used its access powers.

### *Professional secrecy*

327. Attorney-client privilege is provided by article 6 of the Lawyers Act as a lawyer must protect what his/her client has confided in him/her as a secret. Therefore, attorney client privilege should not apply to information that cannot reasonably be expected to be kept secret (e.g. information provided in presence of third parties) or information obtained outside the context of an attorney-client relationship.

328. Moreover, the Constitutional Court has referred<sup>9</sup> to professional privilege as information intended for obtaining or providing legal advice or for its application in proceedings which have already been or are to be initiated. Slovenia's authorities advised that it is expected that such definition will have a significant impact on the decisions of lower courts as well.

329. The Slovenian competent authority indicated that it never had to request the relevant information from a lawyer during the period under review, neither for EOI nor for domestic purposes. As a consequence, peers did not report cases where professional secrecy prevented effective EOI with Slovenia.

330. Moreover, the representatives of the private sector and, in particular, the Bar Association, confirmed that the attorney client privilege should not

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9. Constitutional Court of Slovenia, 15 April 2010, case reference Up-2530/06-26, footnote 4.

be understood in a broad sense as any information held by a lawyer, but rather the specific information provided by the client as secret in order to obtain legal advice under an attorney-client relationship. For example, the representatives from the Bar Association, confirmed that the identity and beneficial ownership information obtained by an attorney as an AML-obliged person would not be covered by attorney-client privilege.

331. The Slovenian authorities, as well as representatives of the private sector, such as the tax advisors association, auditors association and accountants associations confirmed that professional secrecy only applies to lawyers and not to other professionals such as accountants.

332. Thus, professional secrecy provided for the Lawyers Act is in accordance with the standard.

## B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

333. Slovenia's domestic legislation does not provide that the taxpayer under foreign investigation or examination must be notified of a request nor for other legal rights or safeguards, such as a right to appeal the exchange of information.

334. Peers did not report cases where domestic rights and safeguards prevented effective EOI with Slovenia and no such cases were identified during the peer review.

335. The conclusions are as follows:

### Legal and Regulatory Framework: in place

The rights and safeguards that apply to persons in Slovenia are compatible with effective exchange of information.

### Practical Implementation of the Standard: Compliant

The application of the rights and safeguards in Slovenia is compatible with effective exchange of information.

***B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information***

336. The standard requires that rights and safeguards should not unduly prevent or delay effective EOI. For instance, notification rules should permit exceptions for prior notification and time-specific post exchange notification.

337. Slovenia's domestic legislation does not provide that the taxpayer object of the EOI request must be notified prior or after the exchange of information. It does not contain other specific legal rights or safeguards, such as a right to appeal the exchange of information.

338. When exercising its access power provided for by article 39 of the TPA in order to reply to an EOI request, the FARS never discloses to the information holder the EOI purpose of its domestic request. Nevertheless, the FARS avoids contacting the taxpayer to gather the information requested if the requesting jurisdiction has asked that this taxpayer not be notified. The risk that the holder of the information may inform the person concerned of the existence of a request is therefore limited since the holder him/herself is not aware of the purpose of the request. In addition, as mentioned in paragraph 325, the banks do not usually inform their clients of an existence of a request from the tax administration.

339. If the information holder is a taxpayer being audited, he/she/it can appeal the domestic request of the FARS for gathering the information requested in the auditing procedure or in relation to the tax assessment decision. This appeal does not have a suspensive effect on the request for information. If there is no auditing procedure or the information holder is not a taxpayer, an appeal is possible against the decision imposing a fine for not providing information upon the request of the FARS. However, the FARS has not experienced such an appeal in the context of EOI.

340. As such, there are no domestic rights and safeguards that would unduly prevent or delay effective exchange of information.

341. Peers did not report cases where domestic rights and safeguards prevented effective EOI with Slovenia and no such cases were identified during the peer review.

## Part C: Exchange of information

342. Sections C.1 to C.5 evaluate the effectiveness of Slovenia’s network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Slovenia’s relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Slovenia’s network of EOI mechanisms respects the rights and safeguards of taxpayers and whether Slovenia can provide the information requested in an effective manner.

### C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

343. In the 2014 Report, most of these instruments met the international standard and therefore Element C.1 was considered to be in place and Slovenia was rated as “Compliant” with this element of the standard.

344. In 2022, Slovenia’s EOI network comprises 150 jurisdictions through the Convention on Mutual Administrative Assistance on Tax Matters (the Multilateral Convention), 61 DTCs, 3 TIEAs, and the EU Directive 2011/16/EU on Mutual Assistance (the EU Directive) (see Annex 2).

345. Since the 2014 Report, Slovenia has signed three new DTCs (with Japan, Kazakhstan and Morocco), four already signed DTCs have entered into force (with Iran, Kosovo,<sup>10</sup> United Arab Emirates and Uzbekistan) and three existing DTCs have been revised by means of an amending protocol (with India, Luxembourg and Switzerland). Additionally, Slovenia has signed a new DTC with Sweden, which replaced the previous one. Since the 2014 Report, the Multilateral Convention has entered into force in respect of 84 new jurisdictions. As a result, Slovenia has an EOI relationship with 150 jurisdictions.

10. This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo’s declaration of independence.

346. As the vast majority of the EOI network is covered by the Multilateral Convention (145 out of 150 jurisdictions), the instrument providing for such EOI relationships is in accordance with the Standard. With respect to the bilateral EOI relationships not supplemented by the Multilateral Convention (Belarus, Egypt, Iran, Kosovo and Uzbekistan), only two (Iran and Egypt) are not consistent with the standard. None of the new EOI relationships activated by Slovenia is not consistent with the standard.

347. In practice, as a general rule, Slovenia interprets and apply the Multilateral Convention in accordance with its Commentaries, and its DTCs in accordance with the Commentary on Article 26 of the OECD Model Tax Convention on Income and Capital.

348. The network of EOI instruments of Slovenia continues to provide for effective exchange of information and the Slovenian authorities implement it in compliance with the standard, Element C.1 continues to be in place and the rating remains Compliant.

#### **Legal and Regulatory Framework: in place**

No material deficiencies have been identified in the EOI mechanisms of Slovenia.

#### **Practical Implementation of the Standard: Compliant**

No issues have been identified that would affect EOIR in practice.

#### *Other forms of exchange of information*

349. In addition to EOIR, Slovenia participates in Automatic Exchange of Financial Account Information (AEOI CRS), as well as Automatic Exchange of Country-by-Country Reports in line with BEPS Action 13 (AEOI CbC). To this date, Slovenia has activated the AEOI CRS relationships sending information to 80 jurisdictions and receiving information from 108 jurisdictions, and the AEOI CbC relationship sending information to 68 jurisdictions and receiving information from 84 jurisdictions.

350. Slovenia participates in Spontaneous Exchange of Information of tax rulings within the framework of Action 5 of the OECD/G20 Base Erosion and Profit Shifting project.

#### **C.1.1. Standard of foreseeable relevance**

351. The 2014 Report found that all EOI instruments concluded by Slovenia complied with the standard, including cases where the text of the treaty used the term “necessary” or “relevant” as Slovenia interpreted these



alternative formulations as equivalent to the term “foreseeable relevance”. The Slovenia authorities confirmed that this interpretation remains the same.

352. The vast majority of Slovenia’s 150 EOI partners (all but 5), are covered by the Multilateral Convention. Article 4(1) of the Multilateral Convention adheres to the standard of foreseeable relevance by providing that “The Parties shall exchange information, in particular as provided in this section, that is foreseeably relevant for the tax administration or enforcement of their domestic laws concerning the taxes covered by this contention”.

353. The DTCs with the five partners not covered by the Multilateral Convention (Belarus, Egypt, Iran, Kosovo and Uzbekistan) contain a provision similar to Article 26(1) of the OECD Model Tax Convention, in the sense that contracting states shall exchange information that is “necessary” or “relevant” for carrying out the provisions of the Convention or of the domestic laws of the Contracting States. The Commentary to Article 26(1) of the OECD Model Tax Convention refers to the standard of “foreseeable relevance” and states that the Contracting States may agree to an alternative formulation of this standard that is consistent with the scope of the Article, for instance by replacing “foreseeably relevant” with “necessary”. Slovenia’s authorities confirmed that they interpret these alternative formulations as equivalent to the term “foreseeably relevant”.

354. Therefore, all of Slovenia’s EOI instruments meet the standard of “foreseeable relevance”.

#### *Clarifications, validity of requests and foreseeable relevance in practice*

355. The officials of the Information Exchange Unit, which is the administrative unit managing the EOI requests, are familiar with the criteria of foreseeable relevance. The EOI Manual, available for all the relevant tax officials, explains the process for handling an EOI request and analysing the foreseeable relevance of the information requested. Once the request of information is received, the officials of the Information Exchange Unit assess if the request meets the foreseeable relevance standard, including by reviewing the following elements:

- the existence of a legal basis, including if the information relates to covered taxes and periods
- that the information is likely to be necessary in the context of a tax investigation
- that the request has been sufficiently detailed
- that the information is sufficient to identify the taxpayer
- that the requesting authority has exhausted the usual sources to obtain information in its country

- that the requesting authority confirms that it is able to provide similar information
- that the requesting authority confirms that the information will be subject to the secrecy provision and will be used in accordance with the legal basis.

356. Slovenia has not declined to respond to any EOI request during the review period on the basis of a lack of foreseeable relevance of the requested information. The competent authority indicated that, before declining a request, it would inform its EOI partner of the request's insufficiencies and, where applicable, would ask for additional information to supplement the request. If the requesting jurisdiction does not amend the request to meet the standard of foreseeable relevance, only then the request would be declined. No issues with respect of the application of foreseeable relevance were raised by peers nor were identified during the peer review.

357. During the review period, Slovenia declined two requests of information (with respect to the same taxpayer) from a treaty partner as Slovenia considered that the requests were not valid because they (i) did not state the legal basis under which the information was requested, (ii) nor were received via the standard communication channels.

358. Receiving the requests via standard communication channels is not *per se* an element to appreciate the validity of a request in accordance with the standard. Nevertheless, although Slovenia should not consider that the foreseeable relevance is not met solely because a request is not made via the standard communication channels, the Slovenian authorities explained that the receipt of an EOI request through unusual channel triggers, in those cases, a specific attention to the justification of the request. Moreover, Slovenia confirmed that before declining the request the Competent Authority reached out to the treaty partner to try to clarify the legal basis of the request, however, no response was obtained from the requesting jurisdiction. Only after reaching out to the treaty partner, the request was declined.

359. In any case, the requesting competent authority must provide the legal basis under which the information was requested<sup>11</sup> and, in the two cases, Slovenia informed that the requesting jurisdiction did not provide such legal basis and tried to clarify with the treaty partner before declining the request. Therefore, Slovenia could conclude, in accordance with the standard, that the validity of the request was not demonstrated in those two cases.

360. Therefore, it may be concluded that Slovenia interprets and applies its EOI instruments in conformity with the standard of foreseeable relevance.

11. In particular in accordance with Article 5(5)(f) of the of the OECD Model TIEA.

### *Group requests*

361. The EOI instruments of Slovenia do not impede the sending or the receipt of group requests (i.e. requests on a group of taxpayers not individually identified) as long as the foreseeable relevance of the information requested is sufficiently demonstrated.

362. Slovenia confirmed that, under its EOI instruments, the tax authorities of the requesting jurisdiction might request information on a group of taxpayers that share certain characteristics without specifying the identities of the taxpayers in the request. Such group requests would follow the same process as the other requests, including the verification of the foreseeable relevance standard. The EOI Manual provides specific guidance to the tax officials on the appreciation of the foreseeable relevance of group requests, including by making a reference to the relevant paragraph of the Commentary of Article 26 of the OECD Model Tax Convention.

363. Slovenia did not receive nor send any group request during the review period.

### ***C.1.2. Provide for exchange of information in respect of all persons***

364. Slovenia is a party to the Multilateral Convention, which covers the vast majority of Slovenia's EOI network, and its EOI bilateral instruments with the five partners not covered by the Multilateral Convention, contain similar provisions to the OECD Model Convention, particularly stipulating that the exchange of information is not restricted to residents of the Contracting States. Therefore, Slovenia's EOI agreements allow for exchange of information in respect of all persons.

365. During the review period, Slovenia received 24 requests of information with respect to persons who were not residents in Slovenia but were residents in the requesting jurisdiction. In all cases but one, the information was provided to the requesting jurisdiction. In one case, the information was not provided due to personal data protection rules (see section C.4 below).

366. During the review period Slovenia did not receive any request of information with respect to persons who were not residents in Slovenia nor in the requesting jurisdiction.

### ***C.1.3. Obligation to exchange all types of information***

367. The 2014 Report included an in-text recommendation for Slovenia to update its DTCs that do not include a provision corresponding to Article 26(5) of the OECD Model Tax Convention. At the time of the 2014 Report, most bilateral relationships were not supplemented by the Multilateral Convention.

368. Today, most of EOI relationships of Slovenia, are covered by the Multilateral Convention which does provide for the obligation to exchange all type of information as per Article 21(4).

369. With respect to the five partners not covered by the Multilateral Convention, the bilateral instruments with Belarus, Kosovo and Uzbekistan contain a provision similar to Article 26(5) of the OECD Model Tax Convention, whereas the ones with Iran and Egypt do not. However, considering the absence of EOI between Slovenia and Iran (and Egypt because the DTC is not in force yet) during the period under review, this EOI relationship is not significant among the broad EOI network of Slovenia. In addition, Slovenia has confirmed that they would interpret these bilateral instruments in a manner consistent with the Standard. Therefore, the in-text recommendation made in the 2014 Report is no longer applicable.

370. During the review period, Slovenia informed that it routinely answered requests regarding all types of information.

#### ***C.1.4. Absence of domestic tax interest***

371. Article 21(2) of the Multilateral Convention, Article 5(2) of the OECD Model TIEA, and Article 26(4) of the OECD Model Tax Convention provide that the requested state shall use its information gathering measures to obtain the requested information, even though the requested state may not need the information for its own tax purposes.

372. The 2014 Report found that the DTCs concluded by Slovenia before the update of the OECD Model Tax Convention in 2005 generally do not contain a provision corresponding to Article 26(4). Slovenia was recommended to monitor effective exchange of information with such treaty partners and, if necessary, renegotiate its information exchange agreements to incorporate wording in line with Article 26(4) of the OECD Model Tax Convention.

373. As of this date, most of the EOI relationships of Slovenia are covered under the Multilateral Convention which does provide for the obligation to exchange even absent domestic tax interest as per article 21(2).

374. With respect to the five partners not covered by the Multilateral Convention, the bilateral instruments with Belarus, Kosovo and Uzbekistan contain a provision similar to Article 26(4) of the OECD Model Tax Convention, whereas the ones with Iran and Egypt (once it enters into force) do not. As for section C.1.3, Slovenia has confirmed that they would interpret these bilateral instruments in a manner consistent with the standard. Therefore, the recommendation made in the 2014 Report is no longer applicable.

375. During the review period, Slovenia received 24 requests of information with respect to persons who were not residents in Slovenia and with respect to which Slovenia had no domestic tax interest. In all cases but one, the information was provided to the requesting jurisdiction but the basis for refusing to exchange the requested information was not the domestic tax interest.

376. Peers did not raise issues regarding EOI restrictions due to absence of domestic tax interest nor were issues identified during the peer review.

### ***C.1.5 and C.1.6. Civil and criminal tax matters***

377. All of Slovenia's EOI agreements provide for exchange of information in both civil and criminal tax matters. There are no dual criminality provisions in any of the Slovenia's EOI agreements.

378. During the review period, Slovenia did not receive any request related to criminal matters. However, Slovenian authorities confirmed that they would answer requests related to criminal tax matters, provided that the requirements foreseen by the relevant EOI instrument are complied with.

### ***C.1.7. Provide information in specific form requested***

379. In accordance with the standard, if, with respect to a request for information, the requesting party has specified the form in which it wishes the information to be supplied and the requested party is in a position to do so, the requested party must supply the information in the requested form.

380. Most of the EOI relationships of Slovenia are covered under the Multilateral Convention and with respect to the five jurisdictions not covered by the Multilateral Convention but under bilateral DTC, Slovenia confirmed that it would interpret and apply such instruments in accordance with the standard, particularly in accordance with paragraph 10.2 of the Commentary on Article 26 of the OECD Model Tax Convention.

381. Peers were generally satisfied with the form of information exchanged during the review period.

### ***C.1.8 and C.1.9. Signed agreements should be in force and be given effect through domestic law***

382. In Slovenia, once an EOI instrument is signed, the procedure for ratification is commenced by the Ministry of Foreign Affairs, at the proposal of the Ministry of Finance. The Ministry of Foreign Affairs prepares the draft Law on ratification of the instrument and submits it to the Government, which subsequently passes it on to the Parliament. Once the Parliament

has ratified the instrument, the Law on ratification is published in the Official Gazette. Subsequently, Slovenia notifies the other Contracting Party that ratification procedure has been completed.

383. It generally takes approximately one year between the signature of the agreement and the ratification of the treaty.

384. The publication of the instruments in the Official Gazette gives direct effect to those agreements and sufficiently implements them in Slovenia's domestic law.

385. Slovenia's signed EOI instruments comprises the Multilateral Convention, 61 DTCs, as well as 3 TIEAs. Slovenia signed the Multilateral Convention on 27 May 2010, deposited its instrument of ratification on 31 January 2011 and it is in force as of 1 May 2011. All of the bilateral agreements have also been ratified by Slovenia and all but two<sup>12</sup> are in force.

386. The bilateral agreement not yet in force and for which the EOI relationship is not already covered by the Multilateral Convention relates to Egypt. Slovenia has already notified the conclusion of ratification process, but Slovenia had not received such notification from Egypt.

### EOI mechanisms

<b>Total EOI relationships, including bilateral and multilateral or regional mechanisms</b>	<b>150</b>
<b>In force</b>	<b>139</b>
In line with the standard	138
Not in line with the standard	1 (Iran)
<b>Signed but not in force</b>	<b>11</b>
In line with the standard	10 (Benin, Burkina Faso, Gabon, Honduras, Madagascar, Mauritania, Papua New Guinea, Philippines, Rwanda, Togo)
Not in line with the standard	1 (Egypt)
<b>Total bilateral EOI relationships not supplemented with multilateral or regional mechanisms</b>	<b>5</b>
<b>In force</b>	<b>4</b>
In line with the standard	3 (Belarus, Kosovo, Uzbekistan)
Not in line with the standard	1 (Iran)
<b>Signed but not in force</b>	<b>1</b>
In line with the standard	0
Not in line with the standard	1 (Egypt)

12. DTCs with Egypt and Morocco.

## C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange should cover all relevant partners, meaning those jurisdictions who are interested in entering into an information exchange arrangement.

387. Slovenia has a large network of EOI based on a multilateral agreement (the Multilateral Convention), regional agreements (the EU Directives) as well as bilateral instruments (61 DTCs and 3 Tax Information Exchange Agreements (TIEAs)). This network covers 150 EOI partners, including the main economic and trading partners of Slovenia.

388. As a member of the European Union, Slovenia exchanges information with other European member states under regional instruments such as the EU Council Directive 2011/16/EU of 15 February 2011 on administrative co-operation in the field of taxation, which came into effect on 1 January 2013 and the EU Council Regulation 904/2010 of 7 October 2010 on administrative co-operation and combating fraud in the field of value added tax, which came into effect on 1 January 2012.

389. The Multilateral Convention covers 145 of Slovenia's EOI relationships. As Slovenia is a Party to the Multilateral Convention, its EOI network will continue growing as further jurisdictions join the convention.

390. Slovenia informed that, as a consequence of having joined the Multilateral Convention, its current policy does not focus on initiating negotiations to enter into new bilateral EOI instruments, but they still are willing to enter into bilateral negotiations with any interested partner that is not a member to the Multilateral Convention.

391. No Global Forum members indicated, in the preparation of this report, that Slovenia refused to negotiate or sign an EOI instrument with it. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Slovenia should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

392. The conclusions are as follows:

### Legal and Regulatory Framework: in place

The network of information exchange mechanisms of Slovenia covers all relevant partners.

### Practical Implementation of the Standard: Compliant

The network of information exchange mechanisms of Slovenia covers all relevant partners.

### C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

393. The 2014 Report concluded that the confidentiality provisions contained in Slovenia's EOI instruments and domestic law were in line with the standard. It also concluded that a robust administrative framework was in place to prevent unauthorised access to confidential data. The legal and regulatory framework was considered to be in place and Slovenia was rated as Compliant to this element of the standard.

394. The instruments allowing for new EOI relationships since then also contain a provision ensuring the confidentiality of information exchanged and limiting the disclosure and use of information received. The same confidentiality legal obligations continue to apply in practice and to be enforced in practice.

395. The conclusions are as follows:

#### Legal and Regulatory Framework: in place

No material deficiencies have been identified in the EOI mechanisms and legislation of Slovenia concerning confidentiality.

#### Practical Implementation of the Standard: Compliant

No material deficiencies have been identified and the confidentiality of information exchanged is effective.

#### **C.3.1. Information received: disclosure, use and safeguards**

396. Slovenia is a party to the Multilateral Convention which contains confidentiality provisions in line with the standard (Article 22). All its bilateral EOI instruments also contain provisions similar to Article 26(2) of the OECD Model Convention and Article 8 of the OECD Model TIEA, which provide for similar secrecy and confidentiality clauses.

397. Therefore, in accordance with Slovenia's EOI instruments, any information received should be treated as confidential and may only be disclosed as prescribed by the standard.

398. Moreover, Slovenia's domestic law also provides that tax officials and other persons who, due to the nature of their work, come into contact with confidential tax information must not disclose this information to third persons or use it themselves or allow third persons to use it (s. 16 TPA). The



Slovenian authorities confirmed that this obligation continues to apply after the tax officials have left their positions.

399. Under Slovenia's domestic law, any information received in accordance with international instruments is treated as confidential in the same manner as information obtained under domestic laws, considering that Article 8 of the Constitution provides that a treaty provision is directly applicable.

400. Furthermore, under Slovenia's domestic law, penalties can be imposed if the confidential information were disclosed, communicated to third parties, used or if the third parties have granted the possibility to use such information. Any individual disclosing information in contravention with Slovenia's domestic law is subject to a fine ranging from EUR 400 to EUR 5 000 (s. 395(2) TPA). This fine applies to tax officials who failed to comply with their confidentiality obligations, even after their departure from the tax administration.

401. The Terms of Reference, as amended in 2016, clarified that although it remains the rule that information exchanged cannot be used for purposes other than tax purposes, an exception applies where the EOI agreement provides for the authority supplying the information to authorise the use of information for purposes other than tax purposes and the tax information may be used for other purposes under the laws of both contracting parties.

402. Article 22(4) of the Multilateral Convention provides that notwithstanding the secrecy and confidentiality provisions, the information received by a party may be used for other purposes when such information may be used for such other purposes under the laws of the supplying party and the competent authority of that party authorises such other use. This provision applies to the vast majority of Slovenia's EOI relationships.

403. With respect to the five EOI relationships not covered by the Multilateral Convention, only the bilateral instrument with Kosovo contains a provision similar Article 26(2) of the OECD Model Convention providing for a similar exception to the secrecy and confidentiality provisions, whereas the bilateral instruments with Belarus, Egypt, Iran and Uzbekistan do not contain a similar provision.

404. As such, most of Slovenia's EOI relationships (146 out of 150) do allow for the use of information for purposes other than tax purposes provided that prior authorisation from the supplying party is obtained.

405. Under domestic law, tax authorities may disclose tax information to other governmental agencies or bodies for or exercising their competences prescribed by an Act (ss. 22, 23, 24 and 25 TPA). Particularly, the tax authorities shall spontaneously send the information, among others, if there are signs of criminal offences (s. 26(1) TPA).

406. Slovenia confirmed that, given the hierarchy of laws, the information received under EOI instruments, should only be shared with other non-tax authorities for non-tax purposes to the extent that the requirements provided by the relevant treaty are complied with, i.e. that written consent is obtained from the sending jurisdiction.

407. Slovenia reported that there were no requests where the requesting partner sought Slovenia's consent to utilise the information for non-tax purposes and similarly Slovenia did not request its partners authorisation to use information received for non-tax purposes.

408. No issues were raised by peers regarding concerns with respect of confidentiality of the information exchanged and no such issues were identified during the peer review.

### ***C.3.2. Confidentiality of other information***

409. The confidentiality provisions in Slovenia's EOI instruments and domestic law do not draw a distinction between information received in response to requests and information forming part of the requests themselves. As such, these provisions apply equally to requests for information, background documents to such requests, and any other document reflecting such information, including communications between the requesting and requested jurisdictions and communications within the tax authorities of either jurisdiction.

410. Slovenia also confirmed that communications between jurisdictions are confidential, especially data about persons handling the request (contact persons). This information is never revealed to the taxpayer or a third party and no special circumstances for releasing such information are foreseen. When the Slovenian tax authority exercises its access powers, the information holder is not informed about the EOI purpose of the procedure. The domestic request sent to the information holder contains the domestic legal basis of the request, the list of the relevant questions or requested documents, the modalities for answering to the request and the potential sanctions in the case of failure to comply with the request. Therefore, the information holder is never informed of the details of the EOI request.

411. No issues were raised by peers regarding concerns with respect of confidentiality of other information, such as communications between competent authorities and no such issues were identified during the peer review.

## ***Confidentiality in practice***

### ***Human resources and training***

412. Prior to entering the FARS candidates undergo a background check process in which the FARS acquires:

- a certificate from the Ministry of Justice that no criminal sanction was imposed against the candidate
- a certificate from the competent district court that the person is not in criminal proceedings
- proof of education or training.

413. In the case of Protection of Classified Information, the verification is conducted by the police and includes financial affairs, nationality and mental health.

414. Upon taking up duty, personnel sign a statement on the protection of protected data, i.e. a confidentiality and non-disclosure agreement. Furthermore, security roles and responsibilities are documented in the job descriptions. Every employee must read and sign their job descriptions.

415. At least once every year, seminars and online training are delivered to personnel with respect to confidentiality and data safeguards. During the review period, the personnel engaged in EOI received at least two trainings.

416. In the case of departure, the personnel is obliged to discharge her/his obligations and must obtain the confirmation and signatures of responsible persons that she/he has returned all fixed assets and fulfilled all obligations. The duty of data protection continues after termination of employment, with no duration limitation. Even in case of departure, the confidentiality obligations described in paragraphs 399 and 400 still apply to former tax officials.

417. All employees are obliged to immediately report to their supervisors all suspicions regarding tax and personal data confidentiality violations. In the event of improper disclosure of confidential information, the Internal Department Unit (IDU) is notified, which is a specialised service tasked with investigating all reported violations pertaining to the FARS employees, as well as discovering them itself.

### ***Physical security measures and access controls***

418. FARS has security perimeters which are used to protect areas that contain or handle information received under EOI instruments. The protection includes entry controls by guards, alarms, and electronic badge required to access the premises. Visitors receive a “visitor badge” which allows them to access the premises only accompanied by an authorised employee or by a security guard.

419. Rooms with infrastructure for servers containing or managing EOI information are protected with electronic and mechanical locks. Access to such rooms is restricted to authorised personnel. Access to the servers or the computer network is managed with separation into domains, use of firewalls and implementation of user administration of the network, server and database levels.

420. The Tax Administration has a password-protected IT system, and a password is also required to enter different databases. In addition, the Tax Register allows tracking of which data has been accessed to and by whom.

421. Access to the database is limited only to employees who need the information in connection to their work. Access to the IT information is granted through an access management process that is controlled by senior management and enforced by access controls. The user administrator assigns the required access and permissions through the administrative interface.

422. The information is sent and requested by registered post, encrypted e-mail, encrypted CD's, and eFCA (system used by EU Member States).

423. Documents and information received under EOI instruments is not tax-treaty labelled nor includes a watermark. However, the information is uploaded to a system which displays the following statement prior to opening the document: "The information is obtained on the basis of [EOI instruments]. The confidentiality and use of this information is regulated by the provisions of the *Tax Procedure Act*". Following the onsite visit, Slovenia amended this statement to include a clear reference to the relevant tax treaties and not only the Tax Procedure Act. The hard copy documents, after being uploaded to the database, are stored in a secure locker to which only the case handling EOI officer has access to. Once the case is closed, the hard copy documents are moved to the archives to which only EOI authorised personnel has access to.

424. Additionally, Slovenia's EOI Manual clearly indicates that the confidentiality of the information received under EOI instruments is governed by the relevant EOI instruments, including that the information can be used for non-tax purposes only if previous authorisation is obtained from the EOI partner.

425. Moreover, only the auditor involved with the relevant investigation can first open the document as it is linked to its user and a password communicated to him/her. The information is uploaded to the audit file and other auditors, with legitimate interest, can access the audit file and, therefore, the treaty exchanged information. However, the system displays the same confidentiality statement and there is a fingerprint of who accessed the information.

426. The auditor can download the information (e.g. as pdf) in which case there is no label, watermark or similar indication that the information was received under EOI instruments, but only a fingerprint of who accessed and downloaded the information.

427. As such, Slovenia does not, as practice, label the documents received under a treaty, but only implements other confidentiality mechanisms which may be lost when the documents are downloaded from the system. Therefore, Slovenia should ensure that in practice, documents obtained through EOI agreements are clearly identified as subject to confidentiality provisions under the EOI Instrument, even in the cases where the information is downloaded from the system (see Annex 1).

428. Once or twice every year a group of FARS employees is randomly selected to be investigated by special committees auditing trail of data processing. If any irregularities are discovered, data protection officer or IDU is alerted and they start proper procedures, focusing on data protection and further investigation of the incident. Based on the information obtained, the IDU proposes to the Director-General to open an internal investigation. Based on the findings, a report is drawn up to the Director-General, which also includes proposals for sanctioning infringements and a proposal for remedying the irregularities.

429. Slovenia informed that, as per its ISM policy, at least once a year the management is informed via an annual report about possible violations and proposed with improvement measures.

430. Slovenia reported that no cases have been identified where information received from the Competent Authority of an EOI partner has been improperly disclosed. No peer input was received raising concerns about confidentiality and data safeguards.

#### C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

##### ***C.4.1. Exceptions to the requirement to provide information***

431. Under the standard, the exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties. Requested jurisdictions should not be obliged to provide information that would disclose any trade, business, industrial, commercial or professional secret, or information that is the subject of attorney client privilege, or information the disclosure of which would be contrary to public policy.

432. All bilateral EOI instruments of Slovenia contain a provision corresponding to Article 26(3) of the Model Tax Convention or Article 7 of the Model TIEA which ensure that the parties are not obliged to provide information which would disclose any trade, business, industrial, commercial or professional secret or information the disclosure of which would be contrary to public policy (*ordre public*). In addition, Article 21(2) of the Multilateral Convention also contains relevant clauses to respect rights and safeguards of taxpayers and third parties as required by the standard. The domestic provisions relating to the professional secrecy are in line with the standard (see Part B.1.5 above).

433. Under article 226(1) of the TPA, the competent authority of Slovenia would not send information:

- which it could not obtain in order to recover similar type of fiscal charges in Slovenia
- if such disclosure could threaten the security of Slovenia
- if such disclosure would be contrary to the legal order of Slovenia.

434. Such restrictions are consistent with those in Slovenia's EOI instruments, and are not unreasonable, disproportionate or unduly restrictive conditions.

435. Nevertheless, a peer indicated that during the review period, Slovenia declined a request for banking information. The peer specified that the Slovenian authorities indicated that the bank account statements, the source of the capital and the Know Your Client documentation were not acceded to because of personal data protection.

436. Slovenia confirmed that the explanations provided to the relevant peer was that this request was denied because the requested information was personal data protected under the European law on protection of personal data (General Data Protection Regulation – GDPR), and the peer was a non-EU member for which the EU Commission had not determined that it had an adequate level of protection of personal data. Indeed, at that time, the Slovenian authorities were discussing the issue of the EOIR of personal data with the non-EU jurisdictions that were not granted an “adequacy decision” from the EU Commission and had not yet had a clear answer, so, as a preventive measure, the request was denied. Such an “adequacy decision” is delivered when the EU Commission decides that the non-EU jurisdiction ensures an adequate level of protection of personal data (article 45, GDPR). To date, the European Commission has recognised 14 non-EU jurisdictions as providing adequate protection.

437. The Slovenian tax authority further explained during the review that the request related to a case that was highly sensitive as in a previous case

of EOI for customs purposes, the lawyer of that taxpayer had threatened to sue the FARS for improper transfer of information with regard to the provisions of the GDPR. Therefore, the Slovenian Competent Authority was excessively cautious with respect to the GDPR provisions in assessing its ability to exchange the information with the peer.

438. In accordance with the GDPR, the term “personal data” means any information relating to an identified natural person or to a natural person who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, etc. (Article 4(1) GDPR). Therefore, all the information requested by EOI partners in relation to natural persons can be classified as personal data. The Slovenian tax authority indicated that it received, during the period under review, 31 requests (out of 195 requests) from non-EU jurisdictions, including 13 requests in relation to individuals. Among these 13 requests, the information was not exchanged due to the data protection rules only in the case referred above. For the other cases, Slovenia exchanged the information because either the non-EU jurisdictions benefited from an “adequacy decision” or Slovenia did not consider the personal data as highly sensitive (e.g. address or tax residency information), although they were covered by article 4(1) of the GDPR.

439. The limitation of EOIR, due to the absence of an “adequacy decision” for the relevant jurisdiction or on the ground that the jurisdiction has not demonstrated adequate protection of personal data in accordance with GDPR, is not in line with the standard.

440. In accordance with the EOI instruments’ (e.g. the Multilateral Convention’s) secrecy and confidentiality clause, there is an obligation to maintain the confidentiality of the information in the same manner as information obtained under the domestic laws of the receiving jurisdiction and to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards that may be specified by the supplying jurisdiction as required under its domestic laws. Moreover, the Commentary on Article 22 to the Multilateral Convention makes it clear that the specification of the safeguards may not be necessary if the supplying jurisdiction is satisfied that the receiving jurisdiction ensures the necessary level of protection with respect to the data being supplied.

441. Therefore, it is clear that if the requested jurisdiction is not satisfied that the requesting jurisdiction ensures the necessary level of protection of personal data, the treaty remedy is not to decline the request but to specify the safeguards, as provided by the domestic laws of the requested jurisdiction, and that the requesting jurisdiction would be obliged to comply.

442. Moreover, the standard requires that the jurisdiction exchange information with all relevant partners. Considering the significant number of non-EU jurisdictions without an “adequacy decision” and the fact that the

requested information can always be classified as personal data, as far as the EOI request relates to a natural person, the interpretation of the GDPR provisions by Slovenia could be substantially detrimental to its ability to exchange information in accordance with the standard with non-EU members.

443. However, Slovenian authorities confirmed during the review that the position taken in the previously described case was not a general position and the Competent Authority now considers that in the absence of an “adequacy decision”, exchange of information with a third country will still take place as normally the adequate level of protection is ensured by appropriate clauses of the legally binding EOI instruments. In case where the EOI instrument does not contain such clauses, the information will also be exchanged because the transfer is necessary for important reasons of public interest, which covers international data exchange between tax administrations (Article 49 and Recital 112, GDPR). This position, which is in line with the standard, has been formalised in the FARS’ manual for exchange of information in the field of direct taxation. Moreover, although outside of the review period, Slovenia has also provided banking information to another non-EU EOI partner that has not been granted an “adequacy decision”.

444. In the case previously described in paragraphs 435 and 436, following the initial negative answer to the request, the peer reached out to the Competent Authority of Slovenia, indicating that declining the request based on the GDPR provisions was not in accordance with the standard. The Slovenian Competent Authority replied by requiring the peer to demonstrate that it meets appropriate safeguards as prescribed by GDPR. The peer replied that it had been rated “Compliant” for the Elements on “Confidentiality” and “Rights and Safeguards” in its EOIR peer review report and indicated that such expectation to demonstrate the appropriate level of data protection was not in accordance with the standard. Subsequently, although Slovenia did not specifically reply to the peer on the absence of requirement in the standard to demonstrate the appropriate safeguards as prescribed by GDPR, it accessed the originally requested banking information and sent it to the peer. As Slovenia has provided the information very recently to the peer, the peer could not confirm the completeness of the information received.

445. In terms of timeline, Slovenia requested to the peer the demonstration of appropriate safeguards as prescribed by the GDPR after and despite the clarification and the formalisation of its position provided in the FARS’ manual for EOI. Therefore, the implementation by Slovenia of this position in practice remains unclear, in particular on whether Slovenia would consider indications on the level of protection of personal data in order to exchange information that qualifies as personal data with non-EU jurisdictions or if Slovenia would always exchange all types of information with all partners. Therefore, **Slovenia should ensure that it exchanges all types of**



**information, including information that may qualify as personal data, with all EOI partners, in accordance with the standard.**

446. The conclusions are as follows:

#### Legal and Regulatory Framework: in place

No material deficiencies have been identified in the information exchange mechanisms of Slovenia in respect of the rights and safeguards of taxpayers and third parties.

#### Practical Implementation of the Standard: Compliant

Deficiencies identified/Underlying factor	Recommendations
<p>Slovenia declined exchanging information on an individual on the basis of data protection rules. This is not in line with the standard. Slovenia afterwards clarified and formalised its position according to which it can exchange information with all partners, regardless of their level of protection of personal data. However, despite this position, Slovenia requested to a peer to demonstrate an appropriate level of data protection, before it finally withdrew this condition and exchanged the information. Therefore, the implementation of this position in practice remains unclear.</p>	<p>Slovenia should ensure that it exchanges all types of information, including information that may qualify as personal data, with all EOI partners, in accordance with the standard.</p>

### C.5. Requesting and providing information in an effective manner.

The jurisdiction should request and provide information under its network of agreements in an effective manner.

447. The 2014 Report noted that Slovenia received 74 requests for information and answered more than half (60%) in less than 90 days, the vast majority in less than 180 days (84%) and virtually all of the requests in less than one year (98%). Moreover, the report showed that the EOI unit was well organised and the staff were trained appropriately. However, it also found that Slovenia does not advise the requesting jurisdiction of the status of the request when a response cannot be provided within 90 days, unless the requesting jurisdiction specifically requests it. Slovenia was recommended to ensure that updates are provided to requesting authorities on the progress of their requests where a full response cannot be provided within 90 days.

448. During the current review period, Slovenia received 195 requests for information and answered more than half (52%) in less than 90 days, the vast majority in less than 180 days (83%) and virtually all of the requests in less than one year (98%). The timeliness of Slovenia's response therefore remains compliant to the standard.

449. Nevertheless, Slovenia sent 93 responses in more than 90 days and only provided status updates in nine cases, i.e. status updates were sent in less than 10% of cases in which response was provided in more than 90 days. Some of Slovenia's partners confirmed that generally Slovenia does not advise the requesting jurisdiction of the status of the request when a response cannot be provided within 90 days, unless the requesting jurisdiction specifically requests it. Therefore, the recommendation remains that Slovenia should ensure that updates are provided to requesting authorities on the progress of their requests where a full response cannot be provided within 90 days.

450. The conclusions are as follows:

#### Legal and Regulatory Framework

This element involves issues of practice. Accordingly, no determination has been made.

#### Practical Implementation of the Standard: Compliant

Deficiencies identified/Underlying factor	Recommendations
Slovenia does not consistently provide status updates where the requested information cannot be provided in 90 days or less.	Slovenia should ensure that in practice requesting jurisdictions are informed of the status where a full response cannot be provided within 90 days.

#### ***C.5.1. Timeliness of responses to requests for information***

451. During the current review period from 1 April 2018 to 31 March 2021, Slovenia received 195 requests for information and answered 98% of them in less than one year cumulative. Out of those, 47 requests relate to ownership information, 85 to accounting information, 53 to banking information and 10 to other type of information.

452. Slovenia's most significant EOI partners for incoming and outgoing requests were Austria, Croatia and Germany.

453. The following table relates to the requests received during the period under review and gives an overview of response times of Slovenia

in providing a final response to these requests, together with a summary of other relevant factors affecting the effectiveness of Slovenia's practice during the period reviewed.

### Statistics on response time and other relevant factors

	2018		2019		2020		1 Jan to 31 March 2021		Total	
	Num.	%	Num.	%	Num.	%	Num.	%	Num.	%
Total number of requests received [A+B+C+D+E]	73	100	60	100	54	100	8	100	195	100
Full response: ≤90 days	49	67	14	23	37	68.5	2	25	102	52
≤180 days (cumulative)	64	88	45	75	48	89	4	50	161	83
≤1 year (cumulative) [A]	73	100	57	95	53	98	7	100	190	97
>1 year [B]	0	0	3	5	1	2	1	0	5	3
Declined for valid reasons	2	3	0	0	0	0	0	0	2	1
Outstanding cases after 90 days	24	100	46	100	17	100	6	100	93	100
Status update provided within 90 days (for outstanding cases with full information not provided within 90 days, responses provided >90 days)	0	0	5		3		1	11	9	10
Requests withdrawn by requesting jurisdiction [C]	0	0	0	0	0	0	0	0	0	0
Failure to obtain and provide information requested [D]	0	0	0	0	0	0	0	0	0	0
Requests still pending at date of review [E]	0	0	0	0	0	0	0	0	0	0

*Notes:* Before 2020 each taxpayer mentioned in the request was counted as a separate request, unless we agreed with the exchanging jurisdiction that it should be counted differently. Since 2020 each request, either individual or bulk is counted as one request.

The time periods in this table are counted from the date of receipt of the request to the date on which the final and complete response was issued.

454. Slovenia informed that requests of information that are already in their databases generally can be provided in 90 days or less whereas more complex requests of information or regarding information that is not already in their databases generally can be answered in 180 days or less. For example request of information regarding the confirmation of legal ownership or beneficial ownership as per the court register and BO register, respectively, can be addressed swiftly by consulting the governmental data basis, whereas requests for underlying documentation of legal ownership or beneficial ownership would take longer as such information would have to be requested either to the business entity itself or to an AML-obliged person. Moreover, in cases where the taxpayer is subject to a tax audit, the request for information would be made in the context of such tax audit, and may therefore, take more time.

455. During the review period, Slovenia declined two requests of information (with respect to the same taxpayer) for valid reason as it considered that the standard of foreseeable relevance was not met because the requests did not state the legal basis under which the information was requested. In addition, the requests were not received via the standard communication channels, which drew specific attention from the Competent Authority to analyse the validity of the requests (see C.1.1).

456. During the review period, Slovenia sent four requests for clarifications, as the information holder could not be identified based on the information provided in the original request. In such cases, the requesting jurisdiction did not provide additional information on the identity of the taxpayer, and Slovenia replied that the taxpayer does not exist in Slovenia.

457. Slovenia reported that there were no pending responses to request for information. During the peer review, one peer provided input in the sense that one request was pending; however, Slovenia confirmed that such request was not recorded in their system. Slovenian authorities confirmed that this was not an issue of the EOIR handling process in Slovenia and there was no record that the request was actually received (e.g. acknowledgment of receipt) via any channel. However, as soon as this issue was identified, the Slovenian Competent Authority swiftly engaged with the exchange partner who sent the request which subsequently was well received and addressed by Slovenia.

### *Status updates and communication with partners*

458. The standard requires the Competent Authorities to be in constant communications with respect to the requests. For example, if Slovenia is able to provide partial information because it is already available in governmental databases (e.g. the court register or the BO register), Slovenia should provide such partial information, as well as a status update communicating that the additional information will follow.

459. Slovenia sent 93 responses in more than 90 days and only provided status updates in 9 cases, i.e. status updates were sent in 10% of cases in which the full response was provided in more than 90 days. Some of Slovenia's EOI partners confirmed that generally Slovenia does not advise them of the status of the request when a response cannot be provided within 90 days, unless they specifically request it.

460. In practice, the Slovenian Competent Authority has direct access to a wide range of information maintained in public registers (such as the court register, the CSCC and the beneficial ownership register), that could enable the Slovenian Competent Authority to at least provide part of the information provided in a relatively short period of time. Moreover, as a general rule the

FARS is able to obtain the information from the information holders in an eight day period after the information is requested. Therefore, the Slovenian Competent Authority could provide the requested regular updates, for example about the fact that the information has been requested to the information holder and that the information has been obtained. However, this status update does not occur systematically in practice.

461. Slovenian authorities confirmed that the lack of status updates is mainly attributed to lack of follow-up by the officials assigned to the requests for information, and that sending such status updates is not yet an automated process. Moreover, the requests for information received by Slovenia increased by 164% as compared to the 2014 Report, while the personnel allocated to the delegated competent authority only increased by 60%. The Slovenian authorities explained that this increase in the workload may also contribute to the lack of timely status updates.

462. Therefore, **Slovenia is recommended to ensure that, in practice, status updates are provided to requesting authorities on the progress of their requests where a full response cannot be provided within 90 days.**

### ***C.5.2. Organisational processes and resources***

463. Under the standard, jurisdictions should have appropriate organisational processes and resources in place to ensure the quality of requests and quality and timeliness of responses. This includes the organisation of the competent authority functions, resources and training allocated and the process to manage incoming and outgoing requests for information.

464. The 2014 Report found that, overall, Slovenia had dedicated appropriate human, financial and technical resources to the various areas of its exchange of information system taking account the volume of requests it received.

465. Although deficiencies were identified as noted in paragraph 461, Slovenia seems to have an overall appropriate organisational processes and resources to manage EOI.

#### ***Organisation of the competent authority***

466. In accordance with Annex B of the Multilateral Convention, as well as Slovenia's bilateral EOI instruments, the Competent Authority of Slovenia is the Ministry of Finance of the Republic of Slovenia. Article 265(1) of the TPA also provides that the competent authority shall be the ministry responsible for finance. The minister responsible for finance may authorise the FARS to perform individual tasks of information exchange and providing assistance

on the basis of these treaties. As such, the Ministry of Finance has designated the General Financial Office of FARS to carry out tasks of exchange of information. Within the General Tax Office, the Information Exchange Unit performs the tasks of exchange of information and it is so called “central liaison office”.

467. The Information Exchange Unit performs the function of exchanging information on request, automatic exchange of information with respect to mandatory disclosure rules, and spontaneous exchanged of information, with respect to direct and indirect taxes, as well as customs information.

468. The competent authority of Slovenia is identified to EOI partners via the dedicated EU website and the secured Global Forum Competent Authorities site. Slovenia further informed that the contact details of the competent authority were sent by letter to the European Commission and competent authorities of EOI partners.

### *Resources and training*

469. As of the 2014 Report, they were seven officials within the administrative managing EOI. Currently, the staff of the Information Exchange Unit consists of 11 individuals.

470. The personnel hold either a master’s degree or other university degree, have experience within the FARS and have access to a manual for the international exchange of information issued by the FARS, which outlines the administrative processes and relevant legal bases for sending, receiving and handling an EOI request. The Information Exchange Unit regularly updates, if needed, this EOI Manual, the last version of which dates from 2021.

471. During the review period, the Information Exchange Unit organised two events in which persons involved in the EOI-related work were updated on the new developments in the field.

472. All incoming and outgoing requests are recorded in the national NPD application (National application for processing direct taxation requests). The national NPD application is a technological solution implemented by Slovenia to upload, assign and manage all incoming and outgoing requests for information. For example, an incoming request is uploaded to the national NPD application and then assigned to an official of the Information Exchange Unit, who analyses it and, if appropriately directly or indirectly access the information, and subsequently uploads that information together with the letter sent to the requesting jurisdiction.

473. Since 1 September 2019, the national NPD application was implemented as the control and recording system. The national NPD application

is meant to enable monitoring deadlines, including the 90 days deadline to provide updates to EOI partners.

474. As to financial resources, the FARS is an independent user of the state budget. Financial resources are limited to the amount specified in the annual budget.

475. The personnel allocated to the Information Exchange Unit are knowledgeable about the standard and the functions of such personnel is supported with manuals as technical solutions. Overall, Slovenia seems to have allocated appropriate resources to the Information Exchange Unit

### *Incoming requests*

476. The Information Exchange Unit is the authority handling the EOI requests. All requests for information are recorded in the the national NPD application. Only the staff of the Information Exchange Unit has access to the requests and only the auditors assigned to the relevant cases are able to access the information exchanged. This is controlled by logical access based on roles and credentials.

477. The Information Exchange Unit assesses the validity of EOI requests, including with the following requirements:

- the existence of relevant legal basis
- the requesting authority has exhausted the usual sources to obtain information in its country
- the requesting authority confirms that it is able to provide similar information
- the requesting authority confirms that the information will be subject to the secrecy provision and will be used in accordance with the legal basis.

478. If one or more of the requirements is missing or unclear, the Slovenia competent authority contacts the competent authority of the requesting jurisdiction to ask for additional information or clarifications. If the competent authority of the requesting jurisdiction does not provide additional information or clarifications, the request is declined. This has happened in the two cases mentioned in paragraphs 358 and 456.

479. If the request is complete and valid, then it is processed. In the case of information already in possession of the FARS, such as tax returns information or beneficial ownership information, the Information Exchange Unit directly collects the information from the databases.

480. In the case of information that is not in possession of the FARS but is in possession of another governmental agency, the FARS requests the information to the governmental agency who, under the domestic law of Slovenia, is obliged to provide the requested information.

481. In the case of information that is not in possession of the FARS but is in possession of the taxpayer or third parties, such as banks, the requested information is obtained by a written request or through a visit of a tax officer. The Information Exchange Unit may directly request the information to the taxpayer; however, for the most complex requests, it asks the local tax office/auditor to request the information to the taxpayer.

482. Once the information is obtained, the assigned officer drafts the response, which is subsequently reviewed by the Information Exchange Unit assigned official, as central liaison office. If the information is not complete, then the process to gather the outstanding information is carried out once again.

483. If the information is complete, the Information Exchange Unit finalises the response, prepares translations as needed and then sends the response to the competent authority of the requesting jurisdiction. However, Slovenia could send partial information if already available and then supplement the partial reply with the outstanding information.

484. Slovenia advised that, with the introduction of the new NPD application in September 2019, the officers of the Information Exchange Unit are in charge of monitoring the deadlines and notifying the officials preparing the replies before the deadlines expire, and provide updates where applicable. However, the process of monitoring the deadlines is not automated.

485. Slovenia advised that no practical difficulties have been encountered for obtaining and exchanging information in order to respond to an EOI requests. Peers neither raised or advised of such practical difficulties nor were any identified during the peer review.

### *Outgoing requests*

486. The process for outgoing requests begins with a tax inspector drafting the request for information. This process is described in the EOI Manual. For the requests to EU Member States, the tax inspector drafts the request in the European IT tool (eFCA) that contains the relevant EOI forms. For the requests to non-EU members, the tax inspector prepares the request in a Word document. No specific template is used for the requests to non-EU jurisdictions, but the EOI Manual contains an exhaustive checklist of what should be included in the request. In addition, the EOI Manual clearly requires from tax inspectors that they ask short, clear and unambiguous questions to which they wish to receive answers and to attach the relevant



annexes to the request. Subsequently, the Information Exchange Unit reviews the draft requests including:

- the existence of relevant legal basis and that the correct legal basis is included
- that tax inspector has exhausted the usual sources to obtain information in Slovenia
- the identification of the taxpayer(s) is included
- the description of the circumstances
- the questions are understandable
- Slovenia would be able to provide similar information and
- a confirmation that the information will be subject to the secrecy provision and will be used in accordance with the legal basis.

487. If the draft request is not complete and valid, the Information Exchange Unit amends it or asks for amendments or clarifications to the tax inspector. If the draft request is complete and valid, the Information Exchange Unit finalises the request and sends it to the competent authority of the requested jurisdiction.

488. Once the Information Exchange Unit receives the response from the competent authority of the requested jurisdictions, the Information Exchange Unit notifies the inspector of the reply.

489. During the review period, Slovenia sent 736 requests for EOI. In 45 cases, the requested jurisdictions asked for clarifications (i.e. in 6% of the cases). Most of the requests for clarification related to additional information to identify the taxpayer.

490. Generally, peers noted that Slovenia's requests are overall complete and compliant with the standard, including with the foreseeable relevance requirement.

### ***C.5.3. Unreasonable, disproportionate or unduly restrictive conditions for EOI***

491. No unreasonable, disproportionate or unduly restrictive factors for EOI, were identified under Slovenia's legal framework or practices, other than the ones analysed in the previous section of this report.



## Annex 1: List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change, and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element A.1:** Slovenia should monitor and ensure that, in practice, the identification of the senior managing official is made in accordance with the standard (see para 130).
- **Element A.2:** Slovenia is recommended to monitor the availability of reliable accounting information, including underlying documentation, for a period of at least five years, even if a SE is migrated to another EU-member State (see para 230).
- **Element B.1:** Slovenia should monitor that where accounting records are maintained abroad, effective enforcement measures can be applied to access them (see para. 309).
- **Element C.2:** Slovenia should continue to conclude EOI agreements with any new relevant partner who would so require (see para 391).
- **Element C.3:** Slovenia should ensure that in practice, documents obtained through EOI agreements are clearly identified, as subject to confidentiality provisions under the EOI Instrument, even when the information is downloaded from the system (see para 427).

## Annex 2: List of Slovenia's EOI mechanisms

### Bilateral international agreements for the exchange of information

	EOI partner	Type of agreement	Signature	Entry into force
1	Albania	DTC	27 February 2008	4 May 2009
2	Armenia	DTC	11 October 2010	23 April 2013
3	Austria	DTC	1 October 1997	1 February 1999
		Protocol	28 November 2011	1 November 2012
4	Azerbaijan	DTC	9 June 2011	10 September 2012
5	Belarus	DTC	9 June 2011	10 September 2012
6	Belgium	DTC	22 June 1998	2 October 2002
7	Bosnia and Herzegovina	DTC	16 May 2006	20 November 2006
8	Bulgaria	DTC	20 October 2003	4 May 2004
9	Canada	DTC	15 September 2000	13 August 2002
10	China (People's Republic of)	DTC	13 February 1995	27 December 1995
11	Croatia	DTC	10 June 2005	10 November 2005
12	Cyprus <sup>13</sup>	DTC	12 October 2010	19 April 2011

13. Note by Türkiye: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

	<b>EOI partner</b>	<b>Type of agreement</b>	<b>Signature</b>	<b>Entry into force</b>
13	Czech Republic	DTC	13 June 1997	28 April 1998
14	Denmark	DTC	2 May 2001	3 June 2002
15	Egypt	DTC	5 December 2009	Ratified by Slovenia
16	Estonia	DTC	14 September 2009	26 June 2006
17	Finland	DTC	19 September 2003	16 June 2004
18	France	DTC	7 April 2004	1 March 2007
19	Georgia	DTC	7 December 2012	25 September 2013
20	Germany	DTC	3 May 2006	19 December 2006
		Protocol	17 May 2011	30 July 2012
21	Greece	DTC	5 June 2001	8 December 2003
22	Guernsey	TIEA	26 September 2011	9 August 2012
23	Hungary	DTC	26 August 2004	23 December 2005
24	Iceland	DTC	4 May 2011	11 September 2012
25	India	DTC	13 January 2003	17 February 2005
		Protocol	17 May 2016	21 December 2016
26	Iran	DTC	20 September 2011	30 April 2014
27	Ireland	DTC	12 March 2002	11 December 2002
28	Isle of Man	TIEA	27 June 2011	31 August 2012
29	Israel	DTC	30 January 2007	27 December 2007
30	Italy	DTC	11 September 2001	12 January 2010
31	Japan	DTC	30 November 2016	23 August 2017
32	Jersey	TIEA	28 September 2013	23 June 2014
33	Kazakhstan	DTC	10 March 2016	30 December 2016
34	Korea	DTC	25 April 2005	2 March 2006
35	Kosovo	DTC	26 June 2013	16 April 2014
36	Kuwait	DTC	11 January 2010	17 May 2013
37	Latvia	DTC	17 April 2002	22 November 2002
38	Lithuania	DTC	23 May 2000	1 February 2002
39	Luxembourg	DTC	2 April 2001	18 December 2002
		Protocol	20 June 2013	22 August 2014
40	Malta	DTC	8 October 2002	12 June 2003
41	Moldova	DTC	31 May 2006	14 November 2006
42	Montenegro	DTC	11 June 2003	31 December 2003
43	Morocco	DTC	5 April 2016	Ratified by Slovenia

	EOI partner	Type of agreement	Signature	Entry into force
44	Netherlands	DTC	30 June 2004	31 December 2005
45	North Macedonia	DTC	15 May 1998	29 September 1999
46	Norway	DTC	18 February 2008	10 December 2009
47	Poland	DTC	28 June 1996	10 March 1998
48	Portugal	DTC	5 March 2003	13 August 2004
49	Qatar	DTC	10 January 2010	1 December 2010
50	Romania	DTC	8 July 2002	28 March 2003
51	Russia	DTC	29 November 1995	20 April 1997
52	Serbia	DTC	11 June 2003	31 December 2003
53	Singapore	DTC	8 January 2010	25 November 2010
54	Slovak Republic	DTC	14 May 2003	11 July 2004
55	Spain	DTC	23 May 2001	19 March 2022
56	Sweden	DTC	12 May 2021	1 January 2022
57	Switzerland	DTC	12 June 1996	1 December 1997
		Protocol	7 September 2012	14 October 2013
58	Thailand	DTC	11 July 2003	4 May 2004
59	Türkiye	DTC	19 April 2001	23 December 2003
60	Ukraine	DTC	23 April 2003	25 April 2007
61	United Arab Emirates	DTC	12 October 2013	27 August 2014
62	United Kingdom	DTC	13 November 2007	12 September 2008
63	United States	DTC	21 June 1999	22 June 2001
64	Uzbekistan	DTC	11 February 2013	8 November 2013

### Convention on Mutual Administrative Assistance in Tax Matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention).<sup>14</sup> The Multilateral Convention is the most comprehensive multilateral instrument available for all forms of tax cooperation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

14. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention (the Multilateral Convention) which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The Multilateral Convention was signed by Slovenia on 27 May 2010 and entered into force on 1 May 2011 in Slovenia. Slovenia can exchange information with all other Parties to the Multilateral Convention.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Armenia, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda (extension by the United Kingdom), Bosnia and Herzegovina, Botswana, Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Eswatini, Faroe Islands (extension by Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Greenland (extension by Denmark), Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United Kingdom), Jordan, Kazakhstan, Kenya, Korea, Kuwait, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), North Macedonia, Malaysia, Maldives, Malta, Marshall Islands, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Namibia, Nauru, Netherlands, New Zealand, Nigeria, Niue, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Türkiye, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay and Vanuatu.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Benin, Burkina Faso, Gabon, Honduras, Madagascar, Mauritania (entry into force on 1 August 2022), Papua New Guinea, Philippines, Rwanda, Togo, United States (the original 1988 Convention is in force since 1 April 1995, the amending Protocol was signed on 27 April 2010).

## EU Directive on Mutual Administrative Assistance in Tax Matters

Slovenia can exchange information relevant for direct taxes upon request with EU member states under the EU Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (as amended). The Directive came into force on 1 January 2013. All EU members were required to transpose it into their domestic legislation by 1 January 2013, i.e. Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden. The United Kingdom left the EU on 31 January 2020 and hence this directive is no longer binding on the United Kingdom.



## Annex 3: Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum in October 2015 and amended in December 2020, and the Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 29 July 2022, Slovenia's EOIR practice in respect of EOI requests made and received during the three year period from 1 April 2018 to 31 March 2021, Slovenia's responses to the EOIR questionnaire, inputs from partner jurisdictions, as well as information provided by Slovenia's authorities during the on-site visit that took place from 15 February 2020 to 19 February 2022 in Ljubljana, Slovenia.

### List of laws, regulations and other materials received

- Act on the Prevention of Money Laundering and Terrorist Financing
- Banking Act
- Book Entry Securities Act
- Companies Act
- Constitution
- Corporate Income Tax Act
- Court Register Act
- Foundations Act
- Individual's Income Tax Act
- Payment Services and Systems Act
- Slovene Accounting Standards
- Financial Administration Act
- Tax Procedure Act

## Authorities interviewed during on-site visit

- Ministry of Finance
- Ministry of Economic Development and Technology
- Financial Administration of the Republic of Slovenia
- Office of the Republic of Slovenia for the Prevention of Money Laundering
- Agency of the Republic of Slovenia for Public Legal Records and Related Services (virtually)
- Agency for Public Oversight of Auditing
- Bank of Slovenia
- Securities Market Agency

## Current and previous reviews

Slovenia previously underwent an EOIR peer review of its legal and regulatory framework in 2012, followed by the assessment of the practical implementation of this framework in 2014. These reviews were conducted according to the Terms of Reference approved by the Global Forum in February 2010 (2010 ToR) and the Methodology (2010 Methodology) used in the first round of reviews. Information on the reviews of Slovenia is given in the table below.

### Summary of reviews

Review	Assessment team	Period under review	Legal framework as of	Date of adoption by Global Forum
Round 1 Phase 1	Mrs Mônica Sionara Schpallir Calijuri, Head of Larger Taxpayer Unit, Federal Revenue Secretariat of Brazil; Ms Helen O'Grady, Office of the Revenue Commissioners, Ireland; and Ms Mary O'Leary and Mr Mikkel Thunnissen for the Global Forum Secretariat	n.a.	June 2012	October 2012
Round 1 Phase 2	Ms Carine Kokar, Senior Advisor in the French International Tax Unit and Ms Mônica Sionara Schpallir Calijuri, Counsellor at Administrative Board of Tax Appeals – Ministry of Finance of Brazil; and Ms Mélanie Robert for the Global Forum Secretariat	July 2009 to June 2012	November 2013	April 2014
Round 2 Combined Phase 1 and Phase 2	Ms Laura Lopez (Argentina's Tax Administration), Mr David Yellowley (United Kingdom's Tax Administration), and Ms Carine Kokar and Mr Miguel Morelos (Global Forum Secretariat)	1 April 2018 to 31 March 2021	29 July 2022	7 November 2022

## Annex 4: Slovenia's response to the review report<sup>15</sup>

Slovenia wishes to express its gratitude and deep appreciation for the excellent work carried out by the Assessment Team. We would like to thank the Assessment Team, Peer Review Group delegates and the Secretariat of the Global Forum for their estimation that the Peer Review Report for Slovenia presents a fair and accurate picture of the implementation of the standard of transparency and exchange of information on request in Slovenia.

Even though Slovenia has been assigned an overall rating of Largely Compliant, which is a decrease from the previous Compliant rating in 2014, we are mostly satisfied with the rating and we will make every effort to address the issues identified.

We acknowledge that, despite differing interpretations and opposing views, there is still room for improvement. We will therefore implement the recommendations with a view to ensure that beneficial ownership information is accurate, up to date and available with respect to all relevant legal entities and arrangements.

Slovenia continues to develop its network for the exchange of information with all relevant partners and shares all types of information, including information that may qualify as personal data, with all EOI partners, in accordance with the standard of transparency and exchange of information on request. Committed to the work of the Global Forum and the improvement of the information exchange process, Slovenia will provide information in a timely manner or – when not being able to do so – provide a status update to the requesting jurisdiction.

Lastly, it is a fact that the Global Forum has deepened our awareness of the importance of international tax cooperation in today's ever-changing world. It is therefore crucial that each jurisdiction does its part to contribute to greater tax transparency and the efficient exchange of information for tax purposes.

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15. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE  
OF INFORMATION FOR TAX PURPOSES

**Peer Review Report on the Exchange of Information  
on Request SLOVENIA 2022 (Second Round)**

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 160 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This publication contains the 2022 Second Round Peer Review on the Exchange of Information on Request for Slovenia.



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