

Slovenia introduces new reporting obligations for companies

18 December 2024

The amendment to Slovenia's Companies Act introduces new reporting requirements for companies

On 3 December 2024, an amendment to the Companies Act ("ZGD-1M" or "Amendment M") was published in the Official Gazette. The amendment, entered into force on 18 December 2024, seeks to implement four EU Directives into the Slovenian legal system. It introduces new thresholds for determining the size of a company, additional reporting requirements and mandatory standards to ensure gender balance in the management and supervisory bodies of companies. Within one year at the latest, a company will be obliged to display a visible sign at its business address stating the company's name and its registered seat.

1 New standards for determining the size of a company

With the implementation of the Commission Delegated Directive (EU) 2023/2775 (2023), the financial thresholds for determining the size of a company have been increased and apply as of the financial year 2024. As a result, audit, reporting and other obligations will be reduced for companies that are no longer categorised as large companies. The new classification expands the range of what qualifies as micro, small and medium sized companies as follows (whereas at least two of the criteria must be met):

		Number of employees	Asset value (EUR)	Net turnover (EUR)
Micro company	Currently:	≤ 10	≤ 350,000	≤ 700,000
	New:	≤ 10	≤ 450,000	≤ 900,000
Small company	Currently:	≤ 50	≤ 4,000,000	≤ 8,000,000
	New:	≤ 50	≤ 5,000,000	≤ 10,000,000
Medium company	Currently:	≤ 250	≤ 20,000,000	≤ 40,000,000
	New:	≤ 250	≤ 25,000,000	≤ 50,000,000
Large company	Currently:	> 250	> 20,000,000	> 40,000,000
	New:	> 250	> 25,000,000	> 50,000,000

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2 Public-interest entities

Public-interest entities are defined as follows:

- (i) companies whose securities are admitted to trading on a regulated market;
- (ii) credit institutions;
- (iii) insurance undertakings;
- (iv) pension companies;
- (v) large companies that are subject to a statutory audit in which the State or local government authorities jointly or independently, directly or indirectly, hold a majority interest; and
- (vi) any other company that is legally subject to a statutory audit, if so stipulated by law.

A medium-sized company in which the State or local government authorities jointly or independently, directly or indirectly, holds a majority interest is no longer considered a public interest entity.

3 New disclosure and reporting requirements

3.1 Sustainability report

A **sustainability report** needs to be prepared by:

- (i) large companies;
- (ii) medium companies whose securities are traded on a regulated market; and
- (iii) small companies whose securities are traded on a regulated market.

The sustainability report shall be included in the annual report and provide any information necessary to understand the company's impacts on sustainability matters and information necessary to understand how sustainability matters affect the company's development, performance and position, including the information required to be disclosed under Regulation (EU) 2020/852 of the European Parliament and of the Council (2020).

Opting-out: Small or medium companies trading on a regulated market may forgo sustainability reporting for financial years starting prior to 1 January 2028 by clarifying the reasoning in their management report.

3.2 Implementation of the sustainability reporting

The new **sustainability reporting requirements** must be implemented for the financial year beginning in:

- (i) 2024 for large companies that are considered public interest entities;
- (ii) 2025 for large companies that are not considered public interest entities;
- (iii) 2026 for all other relevant companies (except those small and medium companies that have opted out – these must provide sustainability reporting as of the financial year beginning in 2028).

Slovenian subsidiaries of foreign companies that are subject to the new reporting requirements must adopt them for the financial year beginning in 2028.

3.3 Disclosing income tax

In accordance with Directive (EU) 2021/2101 of the European Parliament and of the Council (2021), the following companies are obliged to disclose income tax information:

- (i) Companies that are required to prepare a consolidated annual report and whose turnover on the group level has exceeded the threshold of EUR 750,000,000 for the last two consecutive financial years;
- (ii) Companies that are not part of a group and whose turnover for the last two consecutive financial years has exceeded the threshold of EUR 750,000,000;
- (iii) Subsidiaries and branch offices of a foreign (non-EU) company that is obliged to prepare a consolidated annual report and whose turnover for the last two consecutive financial years has exceeded EUR 750,000,000 need to publish the tax information on their webpage and on the Slovenian business registry (AJPES).

The company is obliged to provide information on the parent company and all its subsidiaries. If a company is present with its registered seat or its permanent establishment only in Slovenia (and no other jurisdiction), it is not obliged to disclose the tax information.

The income tax disclosure is mandatory as of the financial year starting on **22 June 2024** or thereafter.

3.4 Fines

Failure to comply with the sustainability reporting requirements (as per points 3.1 and 3.2 above) and the income tax disclosure (as per point 3.3 above) will result in **finances**, depending on the size of the company, ranging from:

- (i) EUR 15,000 to EUR 45,000 for a large company;
- (ii) EUR 10,000 to EUR 30,000 for a medium company;
- (iii) EUR 2,500 to EUR 15,000 for a small company, and
- (iv) EUR 1,000 to EUR 6,000 for a micro company.

4 Gender balance in management and supervisory bodies

With the implementation of Directive (EU) 2022/2381 of the European Parliament and of the Council (2022), Amendment M sets out specific requirements aimed at ensuring gender balance among members of the management and supervisory bodies and executive directors.

4.1 Which companies are obliged to ensure gender balance?

All companies should aim for gender balance. The following companies are required by law to ensure it:

(i) Group 1: Companies whose securities are traded on a regulated market and which meet the following conditions:		
Employs more than 250 people	Net turnover exceeding EUR 50,000,000 or value of assets exceeding EUR 43,000,000	
(ii) Group 2: Companies in which the State or a self-governing local community has a majority shareholding and which meet the following conditions:		
Employs more than 250 people	The State or a self-governing local community holds a majority of the shares or the voting rights	Is classified as a large company

4.2 What measures must be taken?

Companies that meet the criteria set out in point 4.1 must adopt a **diversity policy** and ensure:

- (i) at least **40 % representation** of the under-represented gender among the members of the supervisory body; or
- (ii) at least **33 % representation** of the under-represented gender among the members of the management and supervisory bodies and among the executive directors.

The minimum percentages of representation must be achieved by Group 1 companies by **30 June 2026** and by Group 2 companies by **30 June 2028**.

There are **new hiring requirements related to the selection process** for a candidate who is a representative of the under-represented gender.

4.3 Must gender balance information be made public?

Information on gender balance must be made publicly available. Companies subject to this obligation must report and publish information on the gender balance of the company's management and supervisory bodies and the measures they have taken or will take to achieve gender balance on their website.

5 Public display of company name and registered seat

The amendment introduces a general requirement for companies to **display a visible sign** at their business address stating the company's name and its registered seat. Companies have until 18 December 2025 to do so or face a fine (dependent on the size of the company) in the range specified in point 3.4 above.

It is advisable to contact landlords in time to discuss how best to display the company information in accordance with the new requirements.

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