

COLLECTION



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**57****A C T**

of 16 February 2018

**on regional investment aid and on amendments to certain acts**

The National Council of the Slovak Republic as agreed on the following Act:

**Article I****BASIC PROVISIONS****§1****Scope of regulation**

(1) This Act governs and regulates the granting of regional investment aid<sup>1)</sup> (hereinafter only referred to as the “investment aid”), rights and obligations of an investment aid beneficiary and powers of government authorities in the granting of investment aid and control of its use.

(2) The investment aid pursuant to this Act is granted in compliance with the rules for the granting of State aid.<sup>2)</sup>

**§2****Investment aid**

(1) The investment aid is granted to support the implementation of an investment project in

- a) industrial production;<sup>3)</sup>
- b) a technology centre;
- c) a shared services centre.

(2) The investment aid is granted in the form of

- a) a grant<sup>4)</sup> for tangible fixed assets and intangible fixed assets;
- b) an income tax relief pursuant to a separate regulation;<sup>5)</sup>
- c) a contribution for newly created jobs pursuant to a separate regulation;<sup>6)</sup>

d) a transfer of an immovable property or a lease of an immovable property at a value lower than the value of the immovable property or the value of the lease of the immovable property set by an expert opinion, without application of provisions of separate regulations.<sup>7)</sup>

(3) The investment aid cannot be granted if a separate regulation so stipulates.<sup>8)</sup>

(4) The granting of investment aid and its control pursuant to this Act and pursuant to separate regulations<sup>9)</sup> shall be governed and coordinated by the Ministry of Economy of the Slovak Republic (hereinafter only referred to as the “economy ministry”).

### §3

#### Investment aid providers

An investment aid provider is

- a) the economy ministry as regards the investment aid that is a grant for tangible fixed assets or intangible fixed assets pursuant to §10;
- b) the Ministry of Finance of the Slovak Republic (hereinafter only referred to as the “finance ministry”) as regards the investment aid that is an income tax relief pursuant to §11;
- c) the Ministry of Labour, Social Affairs and Family of the Slovak Republic (hereinafter only referred to as the “labour ministry”) acting through the Centre of Labour, Social Affairs and Family (hereinafter only referred to as the “Labour Centre”) as regards the investment aid that is a contribution for newly created jobs pursuant to §12;
- d) an immovable property owner that is the state represented by a competent state property administrator, a higher territorial unit, a municipality, a legal person co-owned by the state or a legal person established by law (hereinafter only referred to as “property owner”) as regards the investment aid that is a transfer of an immovable property or a lease of an immovable property pursuant to §13.

### §4

#### Investment aid beneficiary

(1) An investment aid beneficiary (hereinafter only referred to as “beneficiary”) is a natural person – entrepreneur or a legal person established for the purpose of conducting business which

- a) submits an application for the investment aid to the economy ministry (hereinafter only referred to as “application”);
- b) has a place of business or its registered office in the territory of the Slovak Republic;
- c) is registered in a small trades register or a business register.

(2) A beneficiary is included in the category of micro-enterprises, small enterprises, medium-sized enterprises and large undertakings pursuant to a separate regulation.<sup>10)</sup>

(3) A natural person-entrepreneur or legal person may not be beneficiaries if

- a) they have any tax or customs debts;
- b) they are in arrears with premiums for public health insurance, social insurance or with compulsory contributions to old-age pension saving;
- c) distraint proceedings are held or a court order is enforced against them;<sup>11)</sup> in the previous

three years prior to the submission of an application for the investment aid, they breached the prohibition of illegal employment pursuant to a separate regulation;<sup>12)</sup>

- e) they were legally prohibited to receive grants or subsidies, or to receive aid and assistance provided from European Union funds pursuant to a separate regulation;<sup>13)</sup>
- f) in the previous three years prior to the submission of an application for the investment aid, a decision approving investment aid was cancelled or a decision granting investment aid for the beneficiary was cancelled due to a breach of the conditions under which such investment aid had been granted;
- g) they are obliged to return aid following a previous Commission decision declaring an aid granted by the Slovak Republic ineligible and incompatible with the internal market;<sup>14)</sup>
- h) they are an undertaking in difficulty pursuant to a separate regulation<sup>15)</sup> or a court has decided on the commencement of restructuring proceedings;<sup>16)</sup>
- i) they are in liquidation;<sup>17)</sup>
- j) within 45 business days since the submission of an application for the investment aid pursuant to §14, they have not registered in the register of public sector partners, if they are persons required to be registered in the register.<sup>18)</sup>

(4) Until the day of delivery of a decision granting investment aid, the beneficiary is considered an investment aid applicant.

## **§5** **Definitions**

For the purposes of this Act:

- a) 'investment project' means an initial investment project into tangible fixed assets and intangible fixed assets focused on
  1. the setting-up of a new establishment;
  2. the extension of the capacity of an existing establishment
  3. the diversification of the output of an existing establishment to include products or services that have not been manufactured or provided by the establishment so far;
  4. a fundamental change in the overall production process of an existing establishment;
- b) 'technology centre' means an establishment in which development or innovation of technologically advanced (hi-tech) products, technologies or production processes is carried out in order to apply them in manufacturing or to increase the value added; development and innovation do not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements; the production process is not considered an activity of the technology centre;
- c) 'shared services centre' is an establishment in which centralised support services are provided, especially services in the area of company management, information technology, accounting, finance, legal services, audit and control, acquisition, marketing and human resources, excluding services for the hiring-out of workers
- d) 'new plant, machinery and equipment' means plant, machinery and equipment

manufactured not more than two years prior to their acquisition that have not been amortised up to the date of acquisition;

- e) 'new land and building' means a land and building the acquisition of which has not been supported by a State aid or minimum aid in the past;
- f) 'principal place of investment project implementation' is a place where an establishment of the beneficiary, to which the investment project relates, is located; a district of the principal place of investment project is decisive in order to determine a maximum aid intensity for the investment project;
- g) 'ancillary place of investment project implementation' is a place where the beneficiary carries out the investment project in industrial production outside the principal place of investment project implementation; the ancillary place of investment project implementation is located in an establishment of the beneficiary's supplier in one of the districts supported under this Act with the same or higher maximum investment aid intensity; the number of ancillary places of investment project implementation can be higher than one;
- h) 'start of works' on the investment project means the establishment of a binding commitment of the beneficiary under which the implementation of the investment project is irreversible, especially ordering construction works, ordering tangible fixed assets or intangible fixed assets, or buying tangible fixed assets or intangible fixed assets; buying land and preparatory works such as conducting feasibility studies and obtaining permits<sup>19)</sup> are not considered start of works;
- i) 'completion of works' on the investment project means the effective date of an occupancy permit for the last building or the issuance of a permit by a building authority to put the building or technology that is part of the eligible investment costs into permanent operation, or the payment of the last invoice for the acquired tangible fixed assets or intangible fixed assets, if the eligible investment costs do not include the costs of the building or technology the use of which is conditional upon the issuance of an occupancy permit or a permit to put the building or technology into permanent operation;
- j) 'date of a new job creation' means a day when an employee starts working in accordance with an employment contract concluded in a direct connection with the implementation of the investment project, if an employee is in a wage employment with the beneficiary; jobs created prior to the submission of an application for the investment aid to the economy ministry are not considered employment directly created by an investment project;
- k) 'net increase in jobs' means a net increase in the number of jobs when comparing the number of jobs in an establishment with the average over the past 12 months preceding a calendar month in which an application was submitted to the economy ministry; the number of jobs means the number of persons employed in the establishment over the monitored period to perform wage labour in an employment relationship for a set weekly working time or a shorter working time; any posts lost during the 12 month period are deducted from the number of jobs created during the same period and the number of persons employed for a working time shorter than the set weekly working time is included as a labour unit fraction with respect to the set weekly working time;
- l) 'date of granting of the investment aid' means the date of the decision on the granting of the investment aid;
- m) 'investment aid intensity' means a percentage of the total discounted investment aid amount to the total discounted amount of eligible costs directly related to the

implementation of the investment project; the investment aid intensity is expressed as a gross grant equivalent that represents the amount of investment aid prior to the payment of an income tax;

- n) 'unemployment rate' is an average rate of unemployment calculated from the available number of job seekers published in the statistics of the Labour Centre.

## §6

### Eligible costs

(1) Eligible costs directly spent for the implementation of an investment project are

- a) investment costs in acquired tangible fixed assets in the form of lands, buildings, plant, machinery and equipment, investment costs in acquired intangible fixed assets in the form of industrial property rights, know-how and licences, and investment costs in the lease of lands and buildings pursuant to paragraph 8;
- b) wage costs calculated as a sum of an average monthly wage of employees hired for newly created jobs directly in connection with the implementation of an investment project before taxes, including premiums paid for public health insurance, social insurance and compulsory contributions for old-age pension saving, incurred over a period of 24 months; or
- c) a combination of costs referred to in points (a) and (b) not exceeding the amount of costs pursuant to points (a) or (b), whichever is higher.

(2) Costs of buying land and of preparatory works acquired prior to the submission of an application for the investment aid to the economy ministry are not considered eligible.

(3) Costs of intangible fixed assets are only eligible if combined with the eligible costs of tangible fixed assets. For a large undertaking, the costs of intangible fixed assets are eligible up to 50% of total eligible investment costs.

(4) Wage costs are eligible, if the investment project leads to a net increase in the number of jobs, while wage costs per new job created are eligible up to three times the average nominal monthly wage in the Slovak economy ascertained by the Statistical Office of the Slovak Republic (hereinafter only referred to as the "statistical office") for a district of the principal place of investment project implementation for a calendar year preceding the calendar year in which an application for the investment aid was submitted to the economy ministry.

(5) Tangible fixed assets in the form of lands and buildings must be new, acquired under market terms and conditions, except for tangible fixed assets acquired pursuant to §2(2)(d), and located in the principal place of investment project implementation.

(6) Tangible fixed assets in the form of plant, machinery and equipment must be new, acquired under market terms and conditions, located in the principal place of investment project implementation and used solely by a beneficiary in compliance with the investment project, except for an investment project implemented in industrial production where the beneficiary may place the plant, machinery and equipment intended for manufacturing purposes, not exceeding the scope stipulated by a generally binding regulation issued pursuant to §29, in an ancillary place of investment project implementation. Placing the plant, machinery and equipment in the ancillary place of investment project implementation is conditional upon their use by the beneficiary's supplier in accordance with the investment project for the manufacturing of products supplied solely to the beneficiary. The beneficiary must at all times be able to prove the

meeting of the conditions pursuant to the foregoing sentence by a valid and effective contract concluded with the supplier.

(7) Intangible fixed assets must be acquired under market terms and conditions from persons other than those that are a partner enterprise or a linked enterprise of the beneficiary pursuant to a separate regulation<sup>20)</sup>, must be recorded in the beneficiary's assets, and amortised/depreciated and used only by the beneficiary in the principal place of investment project implementation for at least five years in the case of a large undertaking or for at least three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise.

(8) Costs related to the lease of tangible fixed assets in the form of lands and buildings that are new and located in the principal place of investment project implementation are eligible for not more than the period of the duration of the beneficiary's obligation to maintain the land or building pursuant to §22(6) if the lease continues for at least five years after the completion of works on the investment project in the case of a large undertaking and three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise.

(9) Costs related to the lease of tangible fixed assets pursuant to paragraph 6 are eligible for not more than the period of the duration of the beneficiary's obligation to maintain the leased plant, machinery and equipment pursuant to §22(6), if the lease contains an obligation for the beneficiary to purchase the subject-matter of the lease upon expiry of the term of the lease.<sup>21)</sup>

(10) In the case of investment aid granted for the diversification of the output of an existing establishment pursuant to §5(a)(3), the eligible costs must exceed by at least 200% the book value of the tangible fixed assets and intangible fixed assets that are reused, as registered in the accounting period preceding the accounting period in which the works on the investment project started.

(11) In the case of investment aid granted to a large undertaking for a fundamental change in the production process of an existing establishment pursuant to §5(a)(4), the eligible costs must exceed the depreciations of the tangible fixed assets and intangible fixed assets linked to the activity to be modernised in the course of the three accounting periods preceding the accounting period in which the application was delivered to the economy ministry.

## **CONDITIONS FOR GRANTING INVESTMENT AID**

### **§7**

#### **Industrial production**

(1) Conditions to grant investment aid to support the implementation of an investment project in industrial production are as follows:

- a) works on the investment project have not started before the submission of an application for the investment aid to the economy ministry;
- b) acquiring tangible fixed assets and intangible fixed assets pursuant to §6(1)(a);
- c) acquiring the minimum proportion of new plant, machinery and equipment designed for production purposes in the acquired tangible fixed assets and intangible fixed assets pursuant to (b) above;
- d) creating the minimum number of new jobs;

e) implementing the investment project in the principal place of investment project implementation, except for the plant, machinery and equipment located in ancillary places of investment project implementation.

(2) Conditions to grant investment aid to support the implementation of an investment project in industrial production combined with a technology centre are as follows:

- a) works on the investment project have not started before the submission of an application for the investment aid to the economy ministry;
- b) acquiring tangible fixed assets and intangible fixed assets pursuant to §6(1)(a) for the technology centre at least in the amount pursuant to §8(b) and for industrial production at least in the amount of a difference pursuant to paragraph 1(b) and §8(b);
- c) for industrial production the same as the conditions specified in paragraph 1(c) and (e);
- d) for the technology centre the same as the conditions specified in §8(c) and (e).

## **§8**

### **Technology centres**

Conditions to grant investment aid to support the implementation of an investment project in a technology centre are as follows:

- a) works on the investment project have not started before the submission of an application for the investment aid to the economy ministry;
- b) acquiring tangible fixed assets and intangible fixed assets pursuant to §6(1)(a);
- c) paying the minimum multiple of the average monthly wage to employees in the establishment for a period of time pursuant to §22(10) compared to the average nominal monthly wage in the Slovak economy ascertained by the statistical office for a district of the principal place of investment project implementation for a calendar year preceding the calendar year in which the new job was created;
- d) creating the minimum number of new jobs;
- e) implementing the investment project in the principal place of investment project implementation.

## **§9**

### **Shared services centres**

Conditions to grant investment aid to support the implementation of an investment project in a shared services centre are:

- a) works on the investment project have not started before the submission of an application for the investment aid to the economy ministry;
- b) acquiring tangible fixed assets and intangible fixed assets pursuant to §6(1)(a);
- c) paying the minimum multiple of the average monthly wage to employees in the establishment for a period of time pursuant to §22(10) compared to the average nominal monthly wage in the Slovak economy ascertained by the statistical office for a district of the principal place of investment project implementation for a calendar year preceding the calendar year in which the new job was created;
- d) creating the minimum number of new jobs;
- e) implementing the investment project in the principal place of investment project implementation.

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**FORMS OF INVESTMENT AID****§10****Grant for tangible fixed assets and intangible fixed assets**

(1) Grants for tangible fixed assets and intangible fixed assets support the eligible investment costs incurred by the beneficiary as demonstrated in an annual progress report on investment project implementation pursuant to §22(17)(a).

(2) The grant for tangible fixed assets and intangible fixed assets is paid based on a written contract signed between the beneficiary and the economy ministry.

(3) The contract must contain the following:

- a) identification data of the parties;
- b) number of the decision granting investment aid;
- c) name of the investment project;
- d) approved investment aid intensity;
- e) approved maximum amount of the grant for tangible fixed assets and intangible fixed assets
- f) approved amount of total eligible investment costs and amount of the eligible investment costs actually spent;
- g) period for which the grant for tangible fixed assets and intangible fixed assets is provided;
- h) date and method of paying the grant for tangible fixed assets and intangible fixed assets
- i) sanctions.

**§11****Income tax relief**

The income tax relief is claimed pursuant to a separate regulation<sup>22)</sup> on a tax return for the accounting period that precedes the accounting period in which the tax return is submitted.

**§12****Contribution for newly created jobs**

The contribution for newly created jobs is paid based on a contract signed between the beneficiary and the labour ministry acting through the Labour Centre pursuant to a separate regulation<sup>23)</sup>, if the implementation of the investment project leads to a net increase in jobs.

**§13****Transfer of an immovable property or lease of an immovable property at a value lower than the value of the immovable property or the value of the lease of the immovable property set by an expert opinion**

(1) The transfer of an immovable property or the lease of an immovable property at a value lower than the value of the immovable property or the value of the lease of the immovable property set by an expert opinion is made based on a written contract signed between the beneficiary and a property owner.

(2) The contract on the transfer of the immovable property at a value lower than the value of the immovable property set by an expert opinion must contain the following:

- a) identification data of the parties;
- b) number of the decision granting investment aid;
- c) name of the investment project;
- d) approved investment aid intensity;
- e) approved maximum amount of the investment aid in the form of the transfer of the immovable property at a value lower than the value of the immovable property set by an expert opinion;
- f) identification of the transferred property pursuant to a separate regulation;<sup>24)</sup>
- g) value of the immovable property set by an expert opinion;
- h) value of the transfer of the immovable property;
- i) nominal amount of the investment aid applied pursuant to this provision;
- j) date and method of the payment of the value of the transfer of the immovable property;
- k) agreement on the establishment of a pre-emption right to the transferred property to the benefit of the property owner; the pre-emption right is not recorded in the land register and ceases not sooner than five years after the completion of works on the investment project in the case of a large undertaking and three years after the completion of works on the investment project in the case of a micro-enterprise, small enterprise or medium-sized enterprise;
- l) sanctions.

(3) The contract on the lease of the immovable property at a value lower than the value of the lease of the immovable property set by an expert opinion must contain the following:

- a) identification data of the parties;
- b) number of the decision granting investment aid;
- c) name of the investment project;
- d) approved investment aid intensity;
- e) approved maximum amount of the investment aid in the form of the lease of the immovable property at a value lower than the value of the lease of the immovable property set by an expert opinion;
- f) identification of the leased property pursuant to a separate regulation;<sup>24)</sup>
- g) value of the lease of the immovable property set by an expert opinion;
- h) value of the lease of the immovable property;
- i) nominal amount of the investment aid applied pursuant to this provision;
- j) period for which the investment aid pursuant to this provision is applied;
- k) date and method of the payment of the value of the lease of the immovable property;
- l) arrangements regarding the rights and obligations of the parties if a decision granting investment aid is cancelled pursuant to §23(6), (9) and (12), §24(4) and §25(1), or by the effect pursuant to §25(3);
- m) sanctions.

(4) The expert opinion of the value of the immovable property shall be attached as an annex to the contract referred to in paragraph 2. The expert opinion of the value the lease of the immovable property shall be attached as an annex to the contract referred to in paragraph 3.

(5) If the contracts referred to in paragraph 2 or 3 do not contain the required information and annexes, they are invalid.

(6) The contracts referred to in paragraph 2 and 3, including any annexes and amendments thereto, must be delivered by the beneficiary to the economy ministry not later than 15 business days of their signing.

(7) In the case of the transfer of the immovable property at a value lower than the value of the immovable property set by an expert opinion, the investment aid corresponds to the difference between the value of the immovable property set by an expert opinion and the value of the transfer of the immovable property.

(8) In the case of the lease of the immovable property at a value lower than the value of the lease of the immovable property set by an expert opinion, the investment aid corresponds to the difference between the value of the lease of the immovable property set by an expert opinion and the value of the lease of the immovable property.

(9) The investment aid in the form of the lease of the immovable property at a value lower than the value of the lease of the immovable property set by an expert opinion may be claimed by the beneficiary up to the amount which, in the course of the years for which it is claimed, does not exceed in aggregate the amount specified for this form of investment aid in a decision granting investment aid.

(10) The lease relationship under paragraph 3 may continue for not more than ten successive years; the investment aid in the form of the lease of the immovable property at a value lower than the value of the lease of the immovable property set by an expert opinion must be first applied by the beneficiary not later than 12 months of the delivery of a decision granting investment aid.

(11) The lease relationship under paragraph 3 must continue for at least five years after the completion of works on the investment project in the case of a large undertaking and at least three years after the completion of works on the investment project in the case of a micro-enterprise, small enterprise or medium-sized enterprise.

## **ASSESSING AN APPLICATION FOR INVESTMENT AID AND APPROVING INVESTMENT AID**

### **§14**

#### **Submission of an application for the investment aid**

(1) The beneficiary shall submit an application for the aid for an investment project to the economy ministry in one hardcopy and on an electronic data medium.

(2) A beneficiary that is required to prepare financial statements<sup>25)</sup> must have, at the time of the submission of the application, the financial statements for accounting periods preceding the accounting period in which the application was submitted to the economy ministry deposited in a financial statements register.

(3) A beneficiary that is required to prepare financial statements and deposit annual reports in a public section of the financial statements register must have the annual reports for accounting periods preceding the accounting period in which the application was submitted deposited in the public section of the financial statements register.

### **§15**

#### **Assessment of an application for the investment aid**

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(1) Within 25 business days of the delivery of the application, the economy ministry shall assess the regional contribution of the investment project and have an independent expert assessment (hereinafter only referred to as "expert assessment") prepared on the likelihood of the beneficiary meeting the conditions for the grant of investment aid, on the likelihood of meeting the parameters of the investment project, and on the impact of the investment project on public finances. The result of assessing the regional contribution of the investment project and of the expert assessment is an opinion of the economy ministry on the application, which may contain a proposal of the minimum amount of investment aid and a proposal of a different structure of the forms of investment aid.

(2) The time limit specified in paragraph 1 commences upon submission of complete supporting documents and administrative documents. If the application is incomplete or contains incorrect data, the economy ministry shall request the beneficiary in writing to complete and/or correct the incomplete and/or incorrect supporting documents. The economy ministry shall set a reasonable time limit for such completion or correction. If the beneficiary fails to complete or correct the supporting documents within the set time limit, or if the beneficiary completes or corrects the supporting documents incorrectly within the set time limit, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(3) If the application is submitted by the beneficiary referred to in §4(3), the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(4) The economy ministry is entitled to request competent public authorities to provide information necessary for the assessment of the application. Such authorities shall provide cooperation to the economy ministry based on that request.

(5) If the investment project has no significant regional contribution or if the expert assessment implies that, with respect to the submitted application, the beneficiary is unlikely to meet the conditions for the grant of investment aid, or is unlikely to meet the

parameters of the investment project, or if the negative impact of the investment project on public finances outweighs its positive impact, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(6) If the investment project has a significant regional contribution and the expert assessment implies that, with respect to the submitted application, the beneficiary is likely to meet the conditions for the grant of investment aid and is likely to meet the parameters of the investment project and the positive impact of the investment project on public finances outweighs its negative impact, the economy ministry shall prepare within ten business days a proposal to grant the investment aid (hereinafter only referred to as “proposal”) which it will send to the finance ministry and a relevant investment aid provider. The opinion of the economy ministry referred to in paragraph 1 shall be attached as an annex to the proposal.

## **§16**

### **Opinion of the investment aid provider**

(1) An investment aid provider shall within ten business days of the delivery of the proposal assess the proposal and provide the economy ministry with a written opinion on the grant of the respective form of investment aid and its financial coverage.

(2) The finance ministry shall within ten business days of the delivery of the proposal assess the proposal and provide the economy ministry with a written opinion on the impact of the investment project on public finances.

(3) If the relevant investment aid provider specified in §3(b) and (c) does not deliver its opinion pursuant to paragraph 1 to the economy ministry, the provider is deemed to have agreed with the grant of the respective form of investment aid. If the investment aid provider specified in §3(d) does not deliver its opinion pursuant to paragraph 1 to the economy ministry, the provider is deemed to have disagreed with the grant of the respective form of investment aid.

(4) Following the expiry of the time limit specified in paragraph 1, the economy ministry shall prepare a summary opinion on the application (hereinafter only referred to as “summary opinion”).

(5) If the economy ministry issues a negative summary opinion, it shall reject the application within fifteen business days of the expiry of the time limit specified in paragraph 1 and notify the beneficiary accordingly in writing.

(6) If the economy ministry issues a positive summary opinion, it shall prepare a written offer for investment aid pursuant to §17.

## **§17**

### **Ponuka investičnej pomoci**

(1) Within fifteen business days of the expiry to the time limit specified in §16(1), the economy ministry shall send a written offer for investment aid (hereinafter only referred to as “offer”) to the beneficiary which is registered in the register of public sector partners if the beneficiary is required to be registered, and to the attention of the relevant investment aid provider.

(2) The offer contains identification data of the beneficiary, amount of investment aid, amount of individual forms of investment aid, investment aid intensity for the investment

project, conditions for the grant of investment aid, and obligations of the beneficiary.

(3) The offer shall not contain an amount of investment aid and a form of investment aid with which the relevant investment aid provider does not agree.

## **§18**

### **Acceptation of offer for investment aid**

(1) If the beneficiary agrees with the offer, it shall submit within 20 business days of its delivery a letter of acceptance of the offer to the economy ministry in one hardcopy and on an electronic data medium.

(2) If the beneficiary does not agree with the offer or if it fails to submit the letter of acceptance pursuant to paragraph 1, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

## **§19**

### **Ad hoc investment aid**

(1) In the case of ad hoc investment aid<sup>26)</sup>, the economy ministry shall within ten business days of the delivery of the letter of acceptance ask an aid coordinator<sup>27)</sup> for an opinion on the compliance of the proposed investment aid with a separate regulation.<sup>28)</sup>

(2) If the aid coordinator adopts an opinion that the proposed investment aid complies with the separate regulation<sup>28)</sup>, the economy ministry shall proceed in accordance with §20(1).

(3) If the aid coordinator adopts an opinion that the proposed investment aid does not comply with the separate regulation<sup>28)</sup>, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

## **§20**

### **Decision granting investment aid**

(1) Following the delivery of the letter of acceptance or, where the investment aid is ad hoc aid, following the delivery of a final opinion of the aid coordinator pursuant to §19(2), the economy ministry shall submit the proposal to the government of the Slovak Republic (hereinafter only referred to as the "government") for approval.

(2) If the investment aid is not subject to the notification requirement pursuant to a separate regulation,<sup>29)</sup> the economy ministry shall within ten business days of the approval of the proposal by the government issue a decision granting investment aid which it will send to the beneficiary and the investment aid provider. If the government does not approve the proposal, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(3) If the investment aid is subject to the notification requirement pursuant to a separate regulation,<sup>29)</sup> the economy ministry shall, after the proposal is approved by the government, ensure that the compatibility of the proposed investment aid with the internal market<sup>30)</sup> is assessed by the European Commission. If the government does not

approve the proposal, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(4) If the European Commission adopts a decision that the proposed investment aid is compatible with the internal market<sup>30)</sup>, the economy ministry shall within ten business days of the delivery of a final decision by the European Commission issue a decision granting investment aid which it will send to the beneficiary and the investment aid provider. If the European Commission adopts a decision that the proposed investment aid is incompatible with the internal market<sup>30)</sup>, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

## **§21**

### **Formal requirements of the decision granting investment aid**

The decision granting investment aid shall contain:

- a) identification data of the beneficiary;
- b) amount of the approved investment aid;
- c) forms of the approved investment aid and amount of individual forms of investment aid;
- d) approved investment aid intensity;
- e) conditions for the grant of investment aid
- f) obligations of the beneficiary.

## §22 Povinnosti prijímateľa

(1) A beneficiary that is a reporting entity<sup>31)</sup> shall report eligible costs and other costs linked to the implementation of the investment project

- a) on the analytical accounts, if it uses a double entry book-keeping system; or
- b) in the accounting books using a verbal and numerical identification of the investment project in accounting entries, if it uses a single entry book-keeping system; or
- c) record them in a manner that will clearly show the spending of eligible costs and other costs linked to the implementation of the investment project, and their direct link to the implementation of the investment project.

(2) A beneficiary that is not a reporting entity and keeps records pursuant to a separate regulation<sup>32)</sup> shall use verbal and numerical identification of the investment project in its records.

(3) The beneficiary shall start acquiring tangible fixed assets and intangible fixed assets in accordance with the decision granting investment aid. The time limit pursuant to this paragraph shall not exceed 12 months of the delivery of the decision granting investment aid.

(4) The beneficiary shall spend the eligible investment costs in the amount and structure as per the decision granting investment aid.

(5) The beneficiary shall insure the acquired fixed assets for which the investment aid is granted against theft, damage and destruction, if their nature allows so, immediately after the acquisition of the assets, at least for the period of time specified in paragraph 6. During the validity of the insurance policy, the beneficiary shall ensure that the insurance payments up to the amount of the investment aid granted are bound to be paid in favour of the economy ministry.

(6) The beneficiary shall maintain the acquired tangible fixed assets and intangible fixed assets for which the investment aid was granted, located in the principal place of investment project implementation and in an ancillary place of investment project implementation, in the amount and structure as per paragraph 4 for the period of drawing the investment aid or applying the investment aid, but at least for five years after the completion of works on the investment project in the case of a large undertaking and for three years after the completion of works on the investment project in the case of a micro-enterprise, small enterprise or medium-sized enterprise.

(7) The obligation under paragraph 6 does not prevent replacing the plant, machinery and equipment which became outdated or broke down during said period, or relocating the plant, machinery and equipment located in an ancillary place of project investment implementation, provided that the business activity of the beneficiary for which the investment aid was granted is maintained in a given district during the monitored period.

(8) The beneficiary shall prove the purchase of the leased tangible fixed assets pursuant to §6(9) immediately upon expiry of the term of the lease.

(9) The beneficiary shall create all new jobs within a time limit specified in the decision granting investment aid. The time limit pursuant to this paragraph shall not exceed three years of the completion of works on the investment project.

(10) The beneficiary shall maintain each new job created for at least five years from the day

of its first creation in the case of a large undertaking and at least three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise. The period for which the beneficiary is obliged to maintain a new job created runs for each such job individually.

(11) In the case of an investment project under §5(a)(2) through (4), the beneficiary shall, throughout the implementation of the investment project and for five successive years after the year in which the works on the investment project were completed in the case of a large undertaking and for three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise, maintain the number of jobs corresponding to the average for the last 12 months preceding the month in which the application was submitted to the economy ministry.

(12) Where investment aid is granted to support the implementation of an investment project under §7, the beneficiary shall, throughout the implementation of the investment project and for five years following the year in which the works on the investment project were completed in the case of a large undertaking and for three years in the case of a micro-enterprise, small enterprise and medium-sized enterprise, pay the employees a wage in the amount specified in the application.

(13) The beneficiary shall complete the works on the investment project within three years of the delivery of a decision granting investment aid. For large investment projects<sup>33)</sup>, the beneficiary shall complete the works on the investment project within five years of the delivery of a decision granting investment aid.

(14) The beneficiary shall commence the business activity specified in the investment project within three years of the day of delivery of a decision granting investment aid. For large investment projects, the beneficiary shall commence the business activity specified in the investment project within five years of the day of delivery of a decision granting investment aid.

(15) Production, operations, processes, buildings, and plant, machinery and equipment linked to the implementation of the investment project must meet the conditions for the protection of the environment pursuant to separate regulations.<sup>34)</sup>

(16) Where the investment aid is granted to extend the capacity of an existing establishment, the beneficiary shall ensure an increase in output and services, expressed in terms of value or volume, by at least 15% compared to the average for the last three accounting periods preceding the accounting period in which the application was delivered to the economy ministry. The condition set in the foregoing paragraph must be met by the beneficiary in the accounting period specified in the application as the accounting period in which the full capacity is planned to be achieved. The time limit under this paragraph shall not extend beyond the accounting period which follows the accounting period in which the works on the investment project are completed, or the accounting period which follows the accounting period in which the last new job is created, whichever is later.

(17) The beneficiary shall submit to the economy ministry

- a) each year by the end of April at the latest, an annual progress report on investment project implementation for the previous calendar year;
- b) a report on the investment project completion not later than within three months after the completion of works on the investment project;
- c) each year by the end of April at the latest, an annual report on investment utilisation, over a period of five years after the year in which the works on the investment project

were completed in the case of a large undertaking and over a period of three years after the year in which the works on the investment project were completed in the case of a micro-enterprise, small enterprise or medium-sized enterprise, however, at least throughout the drawing of the investment aid or application of the investment aid.

- d) a final evaluation report, not later than within three months of the end of drawing the investment aid or applying the investment aid.

(18) Within three months of the completion of works on the investment project, the beneficiary shall place an information board at a publicly accessible place in the principal place of investment project implementation and maintain it for at least five years.

(19) Throughout the implementation of the investment project, during five successive years following the year in which the works on the investment project were completed in the case of a large undertaking and three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise, and throughout the drawing of the investment aid or application of the investment aid, the beneficiary is not entitled to make any changes that may affect the nature of the investment project or the conditions under which the investment aid was granted, namely to

- a) spend eligible costs in the amount lower than 85% of the eligible costs specified in a decision granting investment aid;
- b) transfer any ownership right to the tangible fixed assets and intangible fixed assets for which the investment aid was granted to a third person without prior written consent of the economy ministry;
- c) change the ancillary place of investment project implementation without prior written consent of the economy ministry;
- d) achieve a net increase in jobs below 90% of the net increase specified in a decision granting investment aid;
- e) change the characteristics of final products and services;
- f) make any change that confers an undue advantage to the beneficiary or another competitor;
- g) early terminate business activities in the respective district or move business activities to another district;
- h) transfer an ownership share of the beneficiary exceeding 24% of share capital or voting rights of the beneficiary without prior written consent of the economy ministry;
- i) effect a merger or amalgamation of the beneficiary with another company, separation of the beneficiary or transfer the beneficiary's undertaking, or a part thereof, without prior written consent of the economy ministry.

## **CHANGE IN CONDITIONS AND CANCELLATION OF DECISION GRANTING INVESTMENT AID**

### **§23**

#### **Change in conditions**

(1) Throughout the implementation of the investment project, during five successive years following the year in which the works on the investment project were completed in the case of a large undertaking and three years in the case of a micro-enterprise, small enterprise or medium-sized enterprise, and throughout the drawing of the investment aid or application of the investment aid, the beneficiary shall immediately notify the economy ministry in writing of all changes that may have an impact on the implementation of the

investment project, on the performance of the beneficiary's obligations, and on the fulfilment of the conditions under which the investment aid was granted. The notification under this paragraph shall contain decisive facts related to the change, namely its description, reasons for the change and an estimated impact of the change on the implementation of the investment project, on the performance of the beneficiary's obligations, and on the fulfilment of the conditions under which the investment aid was granted.

(2) The economy ministry shall within 60 business days of the delivery of the notification assess the completeness of the notification and compliance of the notified change with legal regulations governing the grant of investment aid.

(3) The time limit specified in paragraph 2 commences upon submission of complete documents and administrative documents. If the notification does not indicate the facts necessary for assessing the compliance of the notified change with legal regulations governing the grant of investment aid, the economy ministry will request the beneficiary to complete the notification. The economy ministry shall set a reasonable time limit for such completion.

(4) If the change described in the notification has no impact on the performance of the beneficiary's obligations and on the conditions under which the investment aid was granted, the economy ministry shall notify the beneficiary to that effect.

(5) If the change described in the notification has an impact on the beneficiary's obligations or on the conditions under which the investment aid was granted, and complies with the legal regulations governing the grant of investment aid, the economy ministry shall issue, within the time limit specified in paragraph 2, a decision amending the decision granting investment aid which it will send to the beneficiary and an investment aid provider.

(6) If the change described in the notification does not comply with the legal regulations governing the grant of investment aid, the economy ministry shall, within the time limit specified in paragraph 2, issue a decision cancelling the decision granting investment aid which it will send to the beneficiary and an investment aid provider. The beneficiary shall return the investment aid granted, including any interests, not later than within 15 business days of the delivery of the decision pursuant to this paragraph.

(7) If the change described in the notification complies with the legal regulations governing the grant of investment aid and the investment aid to which the change related is ad hoc aid, the economy ministry shall, within the time limit specified in paragraph 2, ask an aid coordinator to provide an opinion on the compliance of the notified changed with a separate regulation.<sup>28)</sup>

(8) If the aid coordinator adopts an opinion that the notified changed complies with the separate regulation,<sup>28)</sup> the economy ministry shall within 30 business days of the delivery of the aid coordinator's final opinion issue a decision amending the decision granting investment aid which it will send to the beneficiary and an investment aid provider.

(9) If the aid coordinator adopts an opinion that the notified changed does not comply with the separate regulation,<sup>28)</sup> the economy ministry shall within 30 business days of the delivery of the aid coordinator's final opinion issue a decision cancelling the decision granting investment aid which it will send to the beneficiary and an investment aid provider. The beneficiary shall return the investment aid granted, including any interests, not later than within 15 business days of the delivery of the decision pursuant to this paragraph.

(10) If the change described in the notification complies with the legal regulations governing the grant of investment aid and the investment is subject to the notification requirement pursuant to a separate regulation,<sup>29)</sup> the economy ministry shall, within the time limit specified in paragraph 2, ensure that the notified change is submitted to the European Commission to assess its compatibility with the internal market.<sup>30)</sup>

(11) If the European Commission adopts a decision that the proposed investment aid is compatible with the internal market<sup>30)</sup>, the economy ministry shall within 30 business days of the delivery of a final decision by the European Commission issue a decision amending the decision granting investment aid which it will send to the beneficiary and an investment aid provider.

(12) If the European Commission adopts a decision that the proposed investment aid is incompatible with the internal market<sup>30)</sup>, the economy ministry shall within 30 business days of the delivery of a final decision by the European Commission issue a decision cancelling the decision granting investment aid which it will send to the beneficiary and an investment aid provider. The beneficiary shall return the investment aid granted, including any interests, not later than within 15 business days of the delivery of the decision pursuant to this paragraph.

(13) The beneficiary is entitled to make a change under this Act for a particular condition of the decision granting investment aid once only.

(14) If, when performing its authority, the economy ministry finds out that the beneficiary has failed to notify the changes pursuant to paragraph 1, it shall ask the beneficiary to provide an explanation. The economy ministry shall set a reasonable time limit for such explanation. The provisions of paragraphs 2 through 13 shall apply to the proceedings concerning the change not notified pursuant to paragraph 1 accordingly.

## §24

### Interim suspension of performance

(1) The economy ministry shall suspend the provision of performances arising from the decision granting investment aid to the beneficiary, if

- a) the beneficiary no longer meets the condition of being registered in the register of public sector partner, if the beneficiary is a person required to be registered in the register;<sup>18)</sup>
- b) the beneficiary has any tax or customs debts;
- c) the beneficiary is in arrears with premiums for public health insurance, social insurance or with compulsory contributions to old-age pension saving;
- d) distraint proceedings are held or a court decision is enforced against the beneficiary;
- e) the beneficiary has failed to meet any of the obligations under §22(1), (2), (5), (17) and (18);
- f) the beneficiary has failed to meet any of the obligations under §28(8) and (9);
- g) the beneficiary has failed to publish its financial statements in the financial statements register for two consecutive accounting periods, if the beneficiary has such an obligation under a separate regulation;<sup>25)</sup>
- h) the beneficiary has exceeded the approved proportion of plant, machinery and

equipment located in an ancillary place of investment project implementation.

(2) The economy ministry shall send a notification of interim suspension to the beneficiary and to the attention of investment aid providers. The economy ministry shall set a reasonable time limit to remedy the identified shortcoming, not exceeding 90 business days.

(3) In justified cases, based on a written request by the beneficiary, the economy ministry may once extend the time limit specified in paragraph 2 by not more than 45 business days.

(4) If the beneficiary fails to remedy the identified shortcoming in accordance with the notification, the economy ministry shall, within 30 business days of the expiry of the time limit specified in paragraph 2 or paragraph 3, issue a decision cancelling the decision granting investment aid which it will send to the beneficiary and investment aid providers. The beneficiary shall return the investment aid granted, including any interests, not later than within 15 business days of the delivery of the decision pursuant to this paragraph.

## **§25**

### **Cancellation of the decision granting investment aid**

(1) The economy ministry shall issue a decision cancelling the decision granting investment aid, if the beneficiary

- a) has requested the cancellation of the decision granting investment aid before the start of the drawing of the investment aid;
- b) has started works on the investment project before the submission of an application for the investment aid to the economy ministry;
- c) has failed to start acquiring tangible fixed assets or intangible fixed assets within the time limit specified in §22(3);
- d) has failed to spend the eligible costs on plant, machinery and equipment pursuant to §7(1)(c) or (2)(c);
- e) has breached the obligation of maintaining the acquired fixed assets under §22(6);
- f) has breached, during the period specified in §22(10), the obligation to pay the minimum multiple of the average monthly wage pursuant to §8(c) or §9(c);
- g) has breached, in two consecutive accounting periods, the obligation under §22(12) by paying its employees wages below 85% of the wage specified in the investment project, if the investment aid was granted to support the investment project pursuant to §7;
- h) has not meet the obligation of maintaining jobs under §22(10) or (11);
- i) has exceeded the maximum proportion of plant, machinery and equipment located in an ancillary place of investment project implementation;
- j) has failed to spend the eligible costs exceeding the book value of the reused fixed assets as specified in §6(10), if the investment aid was granted for the diversification of the output of an existing establishment pursuant to §5(a)(3);
- k) has failed to spend the eligible costs exceeding the depreciations of the fixed assets linked to the activity to be modernised pursuant to §6(11), if the investment aid was granted to a large undertaking for a fundamental change in the production process of an existing establishment pursuant to §5(a)(4);
- l) has failed to complete the works on the investment project pursuant to §22(13);

- m) has failed to commence the business activity specified in the investment project as required under §22(14);
- n) has breached the obligation under §22(15);
- o) has failed to ensure an increase in output or service as required under §22(16);
- p) has made any of the changes that are not permitted under §22(19);
- q) has breached the prohibition of illegal employment;
- r) is obliged to return aid following a previous European Commission decision declaring an aid granted by the Slovak Republic ineligible and incompatible with the internal market;<sup>30)</sup>
- s) had committed a crime for which he was were legally prohibited to receive grants or subsidies, or to receive aid and assistance provided from European Union funds.

(2) The economy ministry shall send the decision cancelling the decision granting investment aid to the beneficiary and investment aid providers. The beneficiary shall return the investment aid granted, including any interests, within 15 business days of the delivery of the decision.

(3) A declaration of bankruptcy in respect of the beneficiary's assets or a rejection of the petition for bankruptcy in respect the beneficiary's assets due to the lack of assets or a restructuring permit have the same effects as the decision cancelling the decision granting investment aid.

## **§26**

### **Investment aid intensity and State aid intensity**

(1) The investment aid intensity shall not exceed the value specified in a decision granting investment aid.

(2) If the approved investment aid intensity is exceeded, the beneficiary shall return the investment aid in an amount by which the approved investment aid intensity was exceeded.

(3) The investment aid payable in several instalments should be discounted to its value at the moment it is granted using a discount rate applicable at the time of the grant.

(4) When calculating the State aid intensity, the total amount of State aid for the aided activity, investment project or beneficiary shall be taken into account

## **§27**

### **Control**

(1) The control of the performance of the beneficiary's obligations and compliance with the conditions under which the investment aid was granted is carried out by control bodies. For the purpose of this Act, the control bodies are

- a) the economy ministry as regards the investment aid that is a grant for tangible fixed assets or intangible fixed assets pursuant to §10 and as regards the investment aid in the form of the transfer of an immovable property or the lease of an immovable property pursuant to §13;
- b) a competent tax administrator as regards the investment aid in the form of an income tax relief pursuant to §11;
- c) the labour ministry acting through the Labour Centre as regards the investment aid in

the form of a contribution for newly created jobs pursuant to §12;

d) the Ministry of the Environment of the Slovak Republic as regards the fulfilment of the obligations pursuant to §22(15);

(2) Irrespective of the form of investment aid and the type of eligible costs, the economy ministry carries out controls of the fulfilment of the conditions under §6(1)(a), §6(2), (3) and (5) through (11), §7(1)(a) through (c) and (e), §7(2)(a) through (c), §8(a), (b) and (e), §9(a), (b) and (e), and the obligations under §22(1) through (8), (13), (14) and (16) through (18) and (19)(a) through (c) and (e) through (i), and §28(8) and (9).

(3) Irrespective of the form of investment aid and the type of eligible costs, the labour ministry acting through the Labour Centre carries out controls of the fulfilment of the conditions under §6(1)(b) and (4), §7(1)(d) and (2)(d), §8(c) and (d), §9(c) and (d), and the obligations under §22(9) through (12) and (19)(d).

(4) The control bodies are entitled to carry out a control of the fulfilment of the beneficiary's obligations and the conditions under this Act and under a decision granting investment aid and contracts between the beneficiary and an investment aid provider concluded on their basis anytime during the implementation of the investment project, as well as through the duration of the beneficiary's obligations linked to the grant of the investment aid. The control bodies shall cooperate as necessary in order to achieve the purpose of the control, and exchange information on the results of the control.

(5) The economy ministry shall send reports under §22(17) to the control bodies referred to in §27(1)(b) and (c) within 30 business days of their delivery.

(6) The economy ministry shall carry out a control after the submission of an investment project completion report pursuant to §22(17)(b) not later than three months after the expiry of the time limit for its submission. The labour ministry acting through the Labour Centre shall carry out a control within three months of the delivery of the report pursuant to §22(17)(b) by the economy ministry. A competent tax administrator shall carry out a tax control within three months of the delivery of the report pursuant to §22(17)(d) by the economy ministry.

(7) Competent public authorities are obliged to provide cooperation to the control bodies during the control of the fulfilment of the beneficiary's obligations and the conditions under which the investment aid was granted. The cooperation means mainly providing information having effect on the implementation of the investment project or the fulfilment of the beneficiary's obligations and the conditions under which the investment aid was granted.

(8) The beneficiary is obliged to consent to the control and provide cooperation to the control bodies, especially to submit documentary evidence and documents necessary to assess the fulfilment of the beneficiary's obligations and the conditions under this Act, under a decision granting investment aid, and under contracts between the beneficiary and an investment aid provider concluded on their basis.

## §28

### Common provisions

(1) There is no legal entitlement to the grant of investment aid

(2) If the works on the investment project started before the submission of an application for the investment aid, the entire investment project is ineligible for investment aid.

(3) The Administrative Code does not apply to proceedings regarding the assessment of an application for the investment aid and the approval of investment aid, to proceedings for amending a decision granting investment aid, for temporary suspension of performances, and to proceedings for cancelling a decision granting investment aid.

(4) Anytime during the proceedings regarding the assessment of an application for the investment aid and the approval of investment aid, during the proceedings for amending a decision granting investment aid, in the case of the temporary suspension of performances, and during the proceedings for cancelling a decision granting investment aid, the economy ministry is entitled to ask the beneficiary to complete the data, supporting documents or confirmations the economy ministry deems necessary for the proceedings in progress. Until the data, supporting documents or confirmations referred to in this paragraph are delivered, the time limits under this Act shall not run.

(5) If, during the assessment of the application for the investment aid and approving investment aid, any of the facts referred to in §4(3) occurs on the part of the beneficiary, the economy ministry shall reject the application and notify the beneficiary accordingly in writing.

(6) Any investment project started by the same beneficiary within a period of three years from the date of start of works on another aided investment project in the same level 3 region of the Nomenclature of Territorial Units for Statistics shall be considered to be part of a single investment project.

(7) The economy ministry shall publish on its website decisions issued under this Act within ten business days of the day of their issuance, and record in the central register the data about the investment aid granted and about the beneficiary pursuant to a separate regulation.<sup>35)</sup>

(8) In the case of a grant for the tangible fixed assets acquired in the form of lands and buildings, the beneficiary shall, immediately upon acquiring an ownership right in such assets, submit a proposal for recording a note in the land register to a competent district office. The district office shall make a note that they are assets supported by the investment aid pursuant to this Act which the beneficiary is prohibited to transfer without prior written consent of the economy ministry. Any contract on the transfer of tangible fixed assets in the form of lands and buildings concluded in contradiction with the restriction pursuant to §22(19)(b) is invalid.

(9) In the case of a transfer of an immovable property pursuant to §13(2), the beneficiary shall, immediately upon acquiring an ownership right in the transferred property, submit a proposal for recording a note in the land register to a competent district office. The district office shall make a note that it is a property supported by the investment aid pursuant to this Act which the beneficiary is prohibited to transfer without prior written consent of the economy ministry. Any contract on the transfer of immovable property concluded in contradiction with the restriction pursuant to §22(19)(b) is invalid.

(10) The beneficiary may submit a proposal to delete the note pursuant to paragraphs 8 and 9 from the land register after the expiry of the period specified in §22(6). The proposal to delete the note from the land register shall be accompanied by written consent of the economy ministry to such deletion, containing the formalities required under a separate regulation.<sup>36)</sup>

## **§29**

### **Enabling provisions**

- (1) The government shall stipulate by a regulation
- a) the minimum amount of the value of the acquired tangible fixed assets and intangible fixed assets pursuant to §7(1)(b), §8(b) and §9(b);
  - b) the minimum proportion of new plant, machinery and equipment pursuant to §7(1)(c);
  - c) the minimum number of newly created jobs pursuant to §7(1)(d), §8(d) and §9(d);
  - d) the minimum multiple of the average monthly wage pursuant to §8(c) and §9(c);
  - e) the maximum proportion of acquired plant, machinery and equipment pursuant to §7(1)(e) that may be located in ancillary places of investment project implementation;
  - f) priority areas in industrial production, technology centres and shared services centres;
  - g) the values pursuant to (a) through (e) above for an investment project implemented in
    - 1. priority areas of industrial production;
    - 2. priority areas of technology centres;
    - 3. priority areas of shared services centres;
    - 4. industrial production by a micro-enterprise, small enterprise and medium-sized enterprise;
    - 5. industrial production in districts where the unemployment rate for a calendar year preceding the year in which the application was delivered to the economy ministry exceeds the average unemployment rate in the Slovak Republic;
    - 6. industrial production in districts that were least-developed districts<sup>37)</sup> as at the day of the submission of an application for the investment aid to the economy ministry;
  - h) the maximum investment aid intensity and the maximum amount of investment aid by forms of investment aid and unemployment rate in the districts broken down by individual regions of the Slovak Republic.
- (2) The economy ministry shall stipulate by a generally binding regulation the formal requirements of
- a) the application under §14(1) and its annex;
  - b) the letter of acceptance under §18(1) and its annex;
  - c) the reports under §22(17) and their annexes;
  - d) the information board under §22(18).

## **§30**

### **Transitional provisions regarding amendments effective from 1 April 2018**

(1) The investment incentives and investment aid approved before 31 March 2018 shall remain in force under the conditions and in the scope as specified in a decision granting investment incentives or in a decision approving investment aid.

(2) A change notified pursuant to §23(1) or ascertained pursuant to §23(14) in the case of a decision approving investment aid or a decision granting investment incentives issued before 31 March 2018 shall be assessed by the economy ministry in accordance with the

regulations in effect until 31 April 2018.

(3) Proceedings commenced but not completed before 1 April 2018 shall be completed in accordance with the regulations in effect until 31 March 2018 and in accordance with §6(6), (8) and (9) of this Act.

### §31

#### Repealing provision

Act No. 561/2007 Coll. on investment aid and on amendments to certain acts as amended by Act No. 56/2009 Coll., Act No. 231/2011 Coll., Act No. 547/2011 Coll., Act No. 70/2013 Coll., Act No. 352/2013 Coll., Act No. 102/2014 Coll., Act No. 62/2015 Coll., Act No. 336/2015 Coll., Act No. 358/2015 Coll., Act No. 389/2015 Coll. and Act No. 315/2016 Coll. is hereby repealed.

### Article II

Act No. 595/2003 Coll. on income tax as amended by Act No. 43/2004 Coll., Act No. 177/2004 Coll., Act No. 191/2004 Coll., Act No. 391/2004 Coll., Act No. 538/2004 Coll., Act No. 539/2004 Coll., Act No. 659/2004 Coll., Act No. 68/2005 Coll., Act No. 314/2005 Coll., Act No. 534/2005 Coll., Act No. 660/2005 Coll., Act No. 688/2006 Coll., Act No. 76/2007 Coll., Act No. 209/2007 Coll., Act No. 519/2007 Coll., Act No. 530/2007 Coll., Act No. 561/2007 Coll., Act No. 621/2007 Coll., Act No. 653/2007 Coll., Act No. 168/2008 Coll., Act No. 465/2008 Coll., Act No. 514/2008 Coll., Act No. 563/2008 Coll., Act No. 567/2008 Coll., Act No. 60/2009 Coll., Act No. 185/2009 Coll., Act No. 504/2009 Coll., Act No. 563/2009 Coll., Act No. 374/2010 Coll., Act No. 548/2010 Coll., Act No. 129/2011 Coll., Act No. 231/2011 Coll., Act No. 250/2011 Coll., Act No. 331/2011 Coll., Act No. 362/2011 Coll., Act No. 406/2011 Coll., Act No. 547/2011 Coll., Act No. 548/2011 Z. z., Act No. 69/2012 Z. z., resolution of the Constitutional Court of the Slovak Republic No. 188/2012 Coll., Act No. 189/2012 Coll., Act No. 252/2012 Coll., Act No. 288/2012 Coll., Act No. 395/2012 Coll., Act No. 70/2013 Coll., Act No. 135/2013 Coll., Act No. 318/2013 Coll., Act No. 463/2013 Coll., Act No. 180/2014 Coll., Act No. 183/2014 Coll., Act No. 333/2014 Coll., Act No. 364/2014 Coll., Act No. 371/2014 Coll., Act No. 25/2015 Coll., Act No. 61/2015 Coll., Act No. 62/2015 Coll., Act No. 79/2015 Coll., Act No. 140/2015 Coll., Act No. 176/2015 Coll., Act No. 253/2015 Coll., Act No. 361/2015 Coll., Act No. 375/2015 Coll., Act No. 378/2015 Coll., Act No. 389/2015 Coll., Act No. 437/2015 Coll., Act No. 440/2015 Coll., Act No. 341/2016 Coll., Act No. 264/2017 Coll., Act No. 279/2017 Coll., Act No. 335/2017 Coll. and Act No. 344/2017 Coll. is hereby amended as follows:

1. §30a(1) and (2) reads as follows:

“(1) A taxable party in respect of whom a decision granting investment aid containing a tax relief pursuant to a separate regulation<sup>120a)</sup> was issued may claim the tax relief up to the amount specified in paragraph 2 below, provided it simultaneously complies with the conditions laid down in the separate regulation<sup>120a)</sup> and special conditions pursuant to paragraph 3 below.

(2) The taxable party may claim the tax relief up to the amount of the tax representing a prorated part of the tax base. The prorated part of the tax base is calculated by multiplying the tax base by a coefficient of 0.5 and the percentage of the aggregate amount of eligible costs<sup>120b)</sup> spend after the submission of an application for the

investment aid pursuant to the separate regulation<sup>120a)</sup> by the end of the relevant tax period for which the tax relief is claimed to the total amount of eligible costs<sup>120b)</sup> for which the investment aid was granted pursuant to the separate regulation.<sup>120a)</sup> The amount of the tax relief shall not exceed 20% of the value of the total approved investment aid in the form of a tax relief pursuant to the separate regulation.<sup>120a)</sup>”

Footnotes 120a and 120b read as follows:

“<sup>120a)</sup> Act No. 57/2018/Coll. on regional investment aid and on amendments to certain acts.

<sup>120b)</sup> §6 of Act N. 57/2018 Coll.”.

2. In §30a(4), (5), (8) and (9)(a) and (b), the word “approval” is replaced by the word “grant”.
3. In 30a(8), the words “of the general conditions” are replaced by the words “of the conditions”.
4. In §30a, new paragraphs 11 and 12 are inserted and read as follows:

“(11) The taxable party to whom a new decision granting investment aid containing a tax relief was issued while claiming the tax relief under a decision granting investment aid pursuant to the separate regulation<sup>120a)</sup>, may claim the tax relief under this new decision only after it ceased to claim the tax relief under the previously issued decision.

(12) If a new decision granting investment aid containing a tax relief was issued pursuant to the separate regulation<sup>120a)</sup> to the taxable party while claiming the tax relief, the period for claiming the tax relief under this new decision shall be shortened by the period for which the taxable party has claimed the tax relief under the previously issued decision.”.

5. §52zp is inserted after §52zo and reads as follows:

#### **“§52zp**

#### **Transitional provisions regarding amendment effective from 1 April 2018**

(1) The provisions of §39a in the wording effective until 1 April 2018 shall apply to a taxable party to whom a decision granting investment aid pursuant to the separate regulation<sup>120a)</sup> containing a tax relief was issued after 1 April 2018; such taxable party shall not simultaneously claim a tax relief under Act No. 366/1999 Coll. on income taxes as amended, §30a in the wording effective until 31 March 2018 or §30b, and a tax relief under §30a in the wording effective from 1 April 2018.

(2) If the taxable party continues, after 1 April 2018, claiming a tax relief under Act No. 366/1999 Coll. on income taxes as amended or under §30a in the wording effective until 31 March 2018 or under §30b and a possibility simultaneously arises for that party to claim a tax relief under §30a in the wording effective from 1 April 2018, the taxable party may start claiming the tax relief under §30a in the wording effective from 1 April 2018 only if the party ceases to claim the tax relief under Act No. 366/1999 Coll. on income taxes as amended, §30a in the wording effective until 31 March 2018 or under §30b.

(3) If a new decision granting investment aid containing a tax relief under §30a in the wording effective from 31 April 2018 was issued pursuant to the separate

regulation<sup>120a)</sup> to the taxable party while claiming the tax relief under Act No. 366/1999 Coll. on income taxes as amended or a tax relief under §30a in the wording effective until 31 March 2018, the period for claiming the tax relief under this decision shall be shortened by the period for which the taxable party has claimed the tax relief under Act No. 366/1999 Coll. on income taxes as amended or a tax relief under §30a in the wording effective until 31 March 2018.

(4) A tax relief under §30a(2) in the wording effective from 1 April 2018 may only be claimed by a taxable party to whom a decision granting investment aid pursuant to the separate regulation<sup>120a)</sup> was issued after 31 March 2018.”.

### Article III

Act No. 5/2004 Coll. on employment services and on amendments to certain acts as amended by Act No. 191/2004 Coll., Act No. 365/2004 Coll., Act No. 585/2004 Coll., Act No. 614/2004 Coll., Act No. 1/2005 Coll., Act No. 82/2005 Coll., Act No. 528/2005 Coll., Act No. 573/2005 Coll., Act No. 310/2006 Coll., Act No. 693/2006 Coll., Act No. 561/2007 Coll., Act No. 139/2008 Coll., Act No. 233/2008 Coll., Act No. 263/2008 Coll., Act No. 460/2008 Coll., Act No. 562/2008 Coll., Act No. 49/2009 Coll., Act No. 108/2009 Coll., Act No. 266/2009 Coll., Act No. 463/2009 Coll., Act No. 594/2009 Coll., Act No. 52/2010 Coll., Act No. 136/2010 Coll., Act No. 373/2010 Coll., Act No. 120/2011 Coll., Act No. 223/2011 Coll., Act No. 231/2011 Coll., Act No. 257/2011 Coll., Act No. 468/2011 Coll., Act No. 324/2012 Coll., Act No. 96/2013 Coll., Act No. 308/2013 Coll., Act No. 352/2013 Coll., Act No. 417/2013 Coll., Act No. 436/2013 Coll., Act No. 495/2013 Coll., Act No. 310/2014 Coll., Act No. 311/2014 Coll., Act No. 14/2015 Coll., Act No. 336/2015 Coll., Act No. 353/2015 Coll., Act No. 378/2015 Coll., Act No. 389/2015 Coll., Act No. 91/2016 z., Act No. 310/2016 Coll., Act No. 81/2017 Coll. and Act No. 82/2017 Coll. is hereby amended as follows:

1. Footnote 28b reads as follows:

“<sup>28b)</sup> Act No. 57/2018 Coll. on regional investment aid and on amendments to certain acts.”.

2. In §23a(1)(x) and (y), the word “approval” is replaced by the word “grant”.

3. §23a(1)(ai) reads as follows:

“ai) that provides professional training for the shared services centre,<sup>28i)</sup> if the duration of the employment relationship with the shared services centre does not exceed a total of 90 days per calendar year.”.

Footnote 28i reads as follows:

“<sup>28i)</sup>§5(c) of Act N. 57/2018 Coll.”.

4. The title of §53d reads as follows:

"Contribution for newly created jobs".

5. In §53d(1), the words “form of the contribution for the creation of a new job” are replaced by the words “form of the contribution for newly created jobs”.

6. §53d(2) through (4) read as follows:

“(2) The contribution for newly created jobs supports, under the conditions stipulated by a separate regulation,<sup>59aba)</sup> the eligible wage costs the spending of which the employer demonstrates upon submission of an annual progress report on investment

project implementation.<sup>59abb)</sup>

(3) The contribution is provided by the labour ministry acting through the Labour Centre based on a contract on the provision of the contribution for newly created jobs concluded with the employer.<sup>59ac)</sup>

(4) The contract referred to in paragraph 3 shall contain the following:

- a) identification data of the parties;
- b) number of the decision granting investment aid;
- c) name of the investment project;
- d) number of jobs the employer is obliged to create;
- e) date by which the new jobs will be created;
- f) employer's obligation to maintain the new jobs for at least the period pursuant to a separate regulation;<sup>28b)</sup>
- g) maximum duration of the period for re-staffing a new post while considering the nature of the posts created;
- h) approved maximum amount of the contribution;
- i) approved amount of the eligible wage costs under the investment project and the amount of the eligible wage costs actually spent under the investment project;
- j) period for which the contribution for newly created jobs is provided;
- k) date and method of the provision of the contribution;
- l) method and deadline for the accounting of the contribution;
- m) method of controlling the fulfilment of the employer's obligations and conditions of the grant of investment aid;
- n) obligation of the employer to return the contribution or its proportionate part, if the contribution was not used for the agreed purpose or if the contribution was provided unreasonably or in an amount greater than the employer was entitled to, and the deadline and conditions for its return;
- o) conditions for the termination of the contract;
- p) sanctions;
- q) other arrangements."

Footnotes 59aba, 59abb and 59ac read as follows:

<sup>59aba)</sup> „ Act No. 57/2018 Coll.

<sup>59abb)</sup> §22 (17)(a) of Act No. 57/2018 Coll.

<sup>59ac)</sup> §12 of Act No. 57/2018 Coll."

#### Article IV

Act No. 404/2011 Coll. on the stay of third-country national and on amendments to certain acts as amended by Act No. 75/2013 Coll., Act No. 388/2013 Coll., Act No. 495/2013 Coll., Act No. 131/2015 Coll., Act No. 353/2015 Coll., Act No. 444/2015 Coll., Act No. 125/2016 Coll., Act No. 82/2017 Coll. and Act No. 179/2017 Coll. is amended as follows:

1. Footnote 50a reads as follows:

"<sup>50a</sup>) Act No. 57/2018 Coll. on regional investment aid and on amendments to certain acts."

2. §23(6)(h) reads as follows:

"h) that provides professional training for the shared services centre,<sup>50b</sup> if the duration of the employment relationship with the shared services centre does not exceed a total of 90 days per calendar year."

Footnote 50b reads as follows:

"50b) §5(c) of Act N. 57/2018 Coll."

3. §33(8)(e) reads as follows:

"e) a third-country national who represents the shared services centre or works for the shared services centre;<sup>50b</sup>"

**Article V**

This Act enters into force on 1 April 2018.

**Andrej Kiska, *m. p.***

**Andrej Danko, *m. p.***

**Robert Fico, *m. p.***

- 1) §3(2)(a) of Act No. 358/2015 Coll. regulating certain relations in connection with State aid and minimum aid and on amendments to certain acts (Act on State Aid).
- 2) Article 107 and 108 of the Treaty on the Functioning of the European Union (OJ C 202, 7.6.2016) Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014) as amended.  
Act No. 358/2015 Coll.
- 3) §1 of the decree No. 306/2007 Coll. of the Statistical Office of the Slovak Republic laying down the Statistical Classification of Economic Activities .
- 4) §8a of Act No. 523/2004 Coll. on public administration budgetary rules and on amendments to certain acts as amended.
- 5) § 30a of Act No. 595/2003 Coll. on income tax as amended.
- 6) §53d of Act No. 5/2004 Coll. on employment services and on amendments to certain acts as amended.
- 7) For example, Act No. 138/1991 Coll. of the Slovak National Council on the property of municipalities as amended, Act No. 330/1991 Coll. of the Slovak National Council on land consolidation, land ownership arrangement, land offices, land resources and land communities as amended, Act No. 278/1993 Coll. of the National Council of the Slovak Republic on the administration of state property as amended, Act No. 446/2001 Coll. on the property of higher territorial units as amended.
- 8) Article 1(2) through (5) and Article 13 of Commission Regulation (EU) No. 651/2014.
- 9) For example, Commission Regulation (EU) No. 651/2014, Act No. 523/2004 Coll., Act No. 357/2015 Coll. on financial control and audit and on amendments to certain acts, Act No. 358/2015 Coll.
- 10) Article 2 of Annex I to Commission Regulation (EU) No. 651/2014.
- 11) For example, Act No. 233/1995 Coll. of the National Council of the Slovak Republic on court distrainers and distraint procedures (the Distraintment Rules) and on amendments to certain acts as amended, Act No. 563/2009 Coll. on tax administration (the Tax Code) and on amendments to certain acts as amended.
- 12) §3 of Act No. 82/2005 Coll. on illegal work and illegal employment and on amendments to certain acts as amended.
- 13) §17 and 18 of Act No. 91/2016 Coll. on criminal liability of legal persons and on amendments to certain acts.
- 14) §10 of Act No. 358/2015 Coll.
- 15) Article 2(18) of Commission Regulation (EU) No. 651/2014.
- 16) §113 of Act No. 7/2005 Coll. on bankruptcy and restructuring and on amendments to certain acts as amended.
- 17) §70 through 75a of the Commercial Code as amended.
- 18) Act No. 315/2016 Coll. on the register of public sector partners and on amendments to certain acts as amended by Act No. 38/2017 Coll.
- 19) §32 and 54 of Act No. 50/1976 Coll. on spatial planning and the building code (the Building Act) as amended by Act No. 254/2015 Coll.
- 20) Article 3 of Annex I to Commission Regulation (EU) No. 651/2014.
- 21) Article 14(6)(b) of Commission Regulation (EU) No. 651/2014.
- 22) Act No. 595/2003 Coll. on income tax as amended.
- 23) §53d of Act No. 5/2004 Coll. as amended.
- 24) §42(2) of Act No. 162/1995 Coll. of the National Council of the Slovak Republic on the land register and registration of ownership and other rights to immovable property (the

Land Register Act) as amended

- 25) Act No. 431/2002 Coll. on accounting as amended.
- 26) §8 of Act No. 358/2015 Coll.
- 27) §2(1) of Act No. 358/2015 Coll.
- 28) Commission Regulation (EU) No. 651/2014.
- 29) §9 of Act No. 358/2015 Coll.
- 30) Article 107(3)(a) and Article 108(3) of the Treaty on the Functioning of the European.
- 31) §1 of Act No. 431/2002 Coll. as amended.
- 32) §6(11) of Act No. 595/2003 Coll. as amended.
- 33) Article 2 of Commission Regulation (EU) No. 651/2014.
- 34) For example, Act No. 543/2002 Coll. on the protection of nature and landscape as amended, Act No. 24/2006 Coll. on environmental impact assessment and on amendments to certain acts as amended, Act No. 137/2010 on air and on amendments to certain acts as amended, Act No. 79/2015 Coll. on wastes and on amendments to certain acts as amended.
- 35) §12 of Act No. 358/2015 Coll.
- 36) Act No. 162/1995 Coll. of the National Council of the Slovak Republic, as amended.
- 37) §2(1) of Act No. 336/2015 Coll. on support for the least-developed districts and on amendments to certain acts.

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